ANNUAL REPORT 1987

SUPPLEMENT

IFAD TEN YEARS AFTER

ANNUAL REPORT 1987

SUPPLEMENT

IFAD
INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

READEX
FICHE

"One of the success stories in Washington is the International Fund for Agricultural Development (IFAD), a lean and effective agency which has won support on Capitol Hill for its programmes designed to help poor farmers produce more food."

Foreign Report,
published by
The Economist,
7 January 1988

"The Fund managed, in ten years of operations, to make a breakthrough in identifying and dealing with the causes of rural poverty."

Al Majalla (Saudi Arabia)
23 March 1988

"By mobilizing the rural poor to grow better crops, reduce hunger, improve nutrition and increase living standards, IFAD is making life worth living for the often neglected".

Times of Zambia,
25 January 1988

"IFAD is the only agency which gives strong support to the production of traditional foods like cassava, sorghum, and millet, products of small farmers, unlike the other international organizations which favour the cereals of world trade such as wheat, rice and maize".

Avanti,
21 February 1988

"This way of work, consisting in enabling the rural poor to become self-sustaining and fee themselves, was universally admired."

Al Bayan Daily
(United Arab Emirates)
5 February 1988

"Ten years after it began helping the world's poorest people to feed themselves, the International Fund for Agricultural Development (IFAD) is entering its second decade with the conviction that it is moving on the right track - and with a record that a little help can go a long way in improving the lives of the small farmers and landless labourers of the Third World."

Dhaka Courier,
29 January 1988

"... IFAD, the tiny UN agrarian funding bank ... is generally considered to be one of the world body's most efficient development aid organizations."

Chicago Tribune,
10 May 1987

"IFAD is entering its second decade with a record of achievements to prove that a little help can go a long way in improving the lives of the small farmers and landless poor in the Third World."

Gulf News,
27 January 1988

"The International Fund for Agricultural Development (IFAD) attacks the problem of hunger at its roots in Third World countries. Instead of channelling money or food aid in the hope that this assistance reaches all levels of society in the recipient countries, IFAD has adopted a more pragmatic approach in order to combat poverty at the grass-root level: self-help."

Chasqui (Chile),
January 1988

"IFAD has been something of a model development agency. It was launched to help the poorest of the poor, those who the bigger agencies don't - or can't - reach. Over the years IFAD has earned itself a reputation for effectiveness, efficiency and innovation, gaining the respect of even conservative governments as well as its more strait-laced colleagues in the aid business."

West Africa,
8 February 1988

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Foreword

The Tenth Anniversary of the International Fund for Agricultural Development (IFAD) has proved more than an occasion for pride and celebration in the work accomplished by one of the newest agencies in the United Nations family. It has also provided the opportunity for a probing, wide-ranging assessment of both the Fund's attainments and its shortcomings. It has shown us that, however far IFAD may have travelled in so short a time on the road to rural poverty reduction, a long and arduous journey still lies ahead. And it has, I think, given us the confidence and the inspiration required to press on with renewed determination.

Above all, perhaps the Fund's birthday events and activities have reminded us of the immense reservoir of goodwill, of the genuine esteem in which the objective of the Fund is held throughout the world, from the policy makers who guide our operations to the rural poor themselves who benefit from them.

● *Commemorative Session of the Governing Council*

Broad-based support marked the commemorative Eleventh Session of the Governing Council of IFAD in January 1988. The session itself was distinguished by the presence and address of Pope John Paul II and by statements delivered by President of the Council of Ministers Giovanni Goria of Italy, President Hussain Muhammad Ershad of Bangladesh and President Dr. Kenneth David Kaunda of Zambia, who is also the current Chairman of the Organization of African Unity. Each was warmly supportive of the Fund's endeavours, as were messages received from more than 20 Heads of State and Government. The contents of these addresses and messages are reproduced in the present volume.

● *Commemorative Stamp Issue*

Stamps commemorating IFAD's Tenth Anniversary have been issued by Algeria, Bangladesh, Benin, China, Cyprus, Ghana, The Philippines and Solomon Islands. Artists from twenty-two countries competed in the design of six stamps issued by the United Nations Postal Administration - two in New York, two in Geneva, and two in Vienna. Reproductions of these issues can be found on page 62. An additional ten countries are planning to issue commemorative stamps honouring IFAD in 1988.

Purpose of this Supplement

The issuance of an Annual Report in two parts is related to the special nature of the Fund's tenth anniversary year. The first, main volume of the Report provided the Council's commemorative Eleventh Session with a thorough substantive review of the Fund's operations and strategy both during 1987 and over the course of the first decade.

Volume II - the Supplement - is mainly devoted to the addresses and messages received from Heads of State and Governments for the Tenth Anniversary.

The Supplement also includes administrative, financial and other matters unavailable or incomplete for publication at year's end.

The purpose of this Supplement to the 1987 Annual Report is also to update and make final the data on the Fund's operations in 1987 and for the decade 1978-87 as a whole. This includes final figures on the total number and value of projects, on the distribution of the Fund's resources by region on the lending terms underlying the projects that have been approved and on IFAD's steadily increasing share in initiating these projects. The final data reaffirm the Fund's important role in channelling US$ 10 billion toward rural poverty alleviation in 89 developing countries and substantiate the rising level of Fund commitments and activities during 1987.

Finally, this volume provides highlights of the Fund's five Special Programming Missions for 1987, together with items not available at the time of the Governing Council's Session in January 1988. These include the Financial Statements of the Fund for 1987, as approved at the Thirty-Third Session of IFAD's Executive Board on 28 April 1988, the summary of Governing Council and Executive Board proceedings, the report of the Audit Committee, brief statements on revenue, expenses and investments, and a list of Governing Council Resolutions adopted at the Eleventh Session, together with up-to-date summaries of membership of the Council itself and the Executive Board.

Idriss Jazairy

Idriss Jazairy
President

SUMMARY OF IFAD'S OPERATIONS

1978 / 1987

Revised and final figures on IFAD's operations in 1987 and for the decade 1978-87 are shown in the accompanying tables. The figures for 1987 show total commitments of SDR 175.4 million (US$ 226.8 million) for 25 loans and 39 technical assistance grants. This brought total IFAD commitments from its own resources for the 1978-87 period to SDR 2 167.5 million (US$ 2 529.2 million) for 220 projects and 262 technical assistance grants in 89 developing countries (Table 1).

During 1987, IFAD's Executive Board approved loans totalling SDR 164.6 million (US$ 212.3 million) for 24 projects(1) and SDR 10.8 million (US$ 14.6 million) for the 39 technical assistance grants (Table 2). Although one loan was not presented to the Executive Board for approval as expected(2), the value of all loans and grants finally approved still increased by 55% in 1987 compared to 1986.

On a regional basis, lending under the Regular Programme in 1987 saw seven projects approved for Africa at SDR 41.9 million (US$ 53.9 million), six projects approved for Asia at SDR 44.6 million (US$ 57.7 million), five projects for Latin America and the Caribbean at SDR 27.4 million (US$ 35.4 million) and one project for the Near East and North Africa at SDR 2.0 million (US$ 2.5 million) (Table 3).

This regional lending under the Regular Programme was supplemented by the approval of six additional projects for SDR 48.8 million (US$ 62.8 million) under the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA). This brought total lending to sub-Saharan Africa under the SPA to SDR 85.9 million (US$ 107.2 million) for 11 loans and 18 technical assistance grants since the SPA became effective in May 1986 (Table 4).

Total regional lending under the Regular and Special Programmes during IFAD's first decade was SDR 651.1 million (US$ 753.9 million) for Africa, or 31.6% of total lending; SDR 785.9 million (US$ 919.7 million) for Asia, or 38.1%; SDR 292.0 million (US$ 347.9 million) for Latin America and the Caribbean, or 14.1%; and SDR 333.4 million (US$ 386.9 million) for the Near East and North Africa, or 16.2%.

During the decade the Fund has applied a growing proportion of its resources to developing countries most in need. These include sub-Saharan African countries affected by drought and desertification and least developed countries. Between 1978-82 and 1983-87, for example, the amount of IFAD resources devoted to the sub-Saharan African countries rose from SDR 326.7 million (US$ 396.5 million), or 26.8% of total allocations, to SDR 408.3 million (US$ 454.2 million), or 48.5% of allocations. During 1987, SDR 90.6 million (US$ 116.7 million), or 55.0% of total allocations was devoted to these countries.

A similar trend is apparent for the 35 least developed countries which IFAD has assisted. Between 1978-82 and 1983-87 lending rose from 33.5% of total loans (SDR 409.2 million, or US$ 498.1 million) to 42.0% (SDR 354.1 million, or US$ 388.3 million). In 1987, lending to least developed countries totalled SDR 66.8 million (US$ 86.5 million) or 40.6% of total IFAD loans.

Final figures for 1987 show that 56.5% of IFAD'S lending under its Regular Programme during the year was made on highly concessional terms, calling for repayment over 50 years, including a ten-year grace period, and a service charge of 1% per annum. Lending on these terms in 1987 amounted to SDR 65.5 million (US$ 84.5 million) and brought the total of highly concessional loans made for the decade to SDR 1 297.5 million (US$ 1 512.2 million) for 135 loans, or 65.4% of the value of total lending (Table 5).

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(1) Twenty-five loans were extended to 24 projects; the Smallholder Services Rehabilitation Project in Zambia received loans under both the Regular and Special Programmes.

(2) The National Agricultural Extension Project for Syria, in the amount of SDR 5.6 million. Cf. "IFAD Ten Years After", Annual Report for 1987.

IFAD: Ten Years at a Glance, 1978-87

Table 1

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1978-87
OPERATIONAL ACTIVITIES (SDR million)											
Loan Approvals[1][2]											
• Number of projects	8	21	27	30	25	24	25	16	20	24	220
• Amount of loans	76.1	259.0	292.8	301.3	291.1	248.0	192.8	118.8	118.1	164.6	2062.4
• Disbursements		2.0	35.1	56.9	85.0	132.0	191.2	200.4	191.1	163.9	1057.5
Regular Programme											
• Number of projects	8	21	27	30	25	24	25	16	16	19	211
• Amount of loans	76.1	259.0	292.8	301.3	291.1	248.0	192.8	118.8	87.5	115.8	1983.0
• Disbursements		2.0	35.1	56.9	85.0	132.0	191.2	200.4	190.9	163.7	1057.1
Special Programme for Sub-Saharan Africa											
• Number of prjects									5[7]	6[8]	11
• Amount of loans									30.6	48.8	79.4
• Disbursements									0.2	0.2	0.4
Highly Concessional Loans[2][3]											
• Number of projects	6	17	20	18	13	14	18	11	10	17	144
• Amount of loans	55.9	221.7	192.3	216.9	131.3	150.7	148.5	81.4	64.1	114.3	1376.9
• Disbursements		1.8	30.0	42.7	58.6	87.5	124.3	144.9	130.4	114.4	734.6
Intermediate Loans[4]											
• Number of projects	2	4	5	11	10	8	4	3	8	6	61
• Amount of loans	20.2	37.3	67.5	77.1	138.2	82.0	22.8	25.8	39.9	43.2	553.7
• Disbursements		0.2	5.0	12.6	23.1	30.0	59.1	46.5	49.1	36.2	261.9
Ordinary Loans[5]											
• Number of projects	0	0	2	1	2	2	3	2	2	1	15
• Amount of loans	0.0	0.0	33.1	7.4	21.6	15.4	21.5	11.7	14.1	7.2	131.8
• Disbursements		0.0	0.1	1.6	3.3	14.4	7.8	9.0	11.6	13.3	61.0
Technical Assistance Grants[2]											
• Number of grants		18	40	29	32	33	25	23	23	39	262
• Amounts		4.3	10.1	18.2	15.2	16.2	13.0	10.5	6.8	10.8	105.1
Total IFAD Loan and Grant Operations[1][2]	**76.1**	**263.3**	**302.9**	**319.5**	**306.3**	**264.2**	**205.7**	**129.3**	**124.9**	**175.4**	**2167.5**
Cofinancing of which: (US$ million)[2]	144.5	491.1	400.6	430.1	433.8	573.0	332.0	289.6	126.0	210.6	3431.2
• Multilateral	123.6	341.9	324.0	409.9	408.4	416.5	298.7	259.3	103.2	171.0	2856.5
• Bilateral	20.9	149.2	76.6	20.1	25.4	156.5	31.5	30.3	21.4	39.2	571.1
• Non-Governmental Organizations	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0	1.4	0.5	3.6
No. of effective projects under implementation[2]	1	9	32	61	82	113	131	143	148	159	
No. of projects in pipeline[2]	NA	NA	NA	97	98	88	86	80	83	78	
No. of approved projects initiated by IFAD[2]	0	7	17	17	13	14	14	12	17	21	132
MEMBERS' CONTRIBUTIONS (US$ million)											
Contributions to Regular Resources (end of period)[6]	592.6	870.8	966.8	935.5	1303.8	1560.7	1763.8	1952.9	2106.3	2333.4	2517.4
Contributions to Special Programme (end of period)									57.2	199.9	199.9
INCOME (US$ million)											
Income from investments	16.8	39.4	64.2	60.4	63.8	65.2	65.2	66.0	68.9	73.4	583.2
Income from loans	—	0.0	0.3	1.1	2.7	5.0	8.4	12.7	18.9	24.7	73.8
GENERAL RESERVE (US$ million)											
(at end of period)	—	—	10.0	15.0	25.0	35.0	45.0	50.0	55.0	60.0	
USABLE RESOURCES (SDR million)											
(end of period)	473.0	693.0	820.0	878.0	1164.0	1540.0	1805.0	1893.0	2018.0	2305.0	
MEMBERSHIP AND ADMINISTRATION											
Member countries (at end of period)	125	125	135	136	139	139	139	139	142	142	
Recipient countries (at end of period)	8	25	44	60	68	77	84	87	89	89	
Professional staff (at end of period)	49	66	67	74	74	74	80	80	84	84	
Operating expenses (US$ million)	5.2	10.2	12.7	15.3	16.6	18.6	18.7	20.7	25.3	32.6	175.7

(1) Net of Cancellations as at 30 December 1987.
(2) Includes Special Programme for Sub-Saharan Africa, see Table 11.
(3) 1% service charge, 50-year repayment period, 10-year grace period.
(4) 4% interest rate, 20-year repayment period, 5-year grace period.
(5) 8% interest rate, 15-18-year repayment period, 3-year grace period.
(6) Includes cash payments or promissory notes inclusive of non-convertible currency contributions and special contributions evaluated at US$ exchange rate from 1978 to 1984 as at end of the year and from 1984 onwards as at historical value.
(7)(8) Includes one project partially financed under the Regular Programme.
NA: Not Available.

Guaymi Indians harvest carp from a fishpond they built under a rural development project for the indigenous communities in Panama.

Projects Approved in 1987 by Region, Type and Lending Terms — Table 2

Region and Country	Type of Project	Loan Amount (SDR million)	Lending Terms
Africa (7)			
Zaire (c2)	Agricultural Development	6.05	HC
Ethiopia (c1)	Livestock	4.50	HC
Zambia (c2)	Agricultural Development	9.10	HC
Benin (c1)	Rural Development	7.95	HC
Cape Verde (c2)	Fisheries	4.35	HC
Malawi (c2)	Agricultural Development	4.95	HC
Togo (c2)	Livestock	4.90	HC
		41.80	
Asia (6)			
Thailand (c2)	Irrigation	7.80	I
Laos (c2)	Credit	3.50	HC
Nepal (c2)	Credit	4.75	HC
Pakistan (c2)	Rural Development	8.70	I
India (c2)	Rural Development	9.25	HC
Indonesia (c2)	Credit	10.60	I
		44.60	
Latin America and the Caribbean (5)			
Honduras (c2)	Rural Development	4.85	I
Colombia (c2)	Rural Development	7.15	O
Bolivia (c2)	Rural Development	4.20	HC
Dominican Republic (e)	Agricultural Development	6.10	I
Jamaica (c2)	Credit	5.10	I
		27.40	
Near East and North Africa (2)			
Yemen Arab Republic (c1)	Agricultural Development	2.00	HC
		2.00	
Sub-total Regular Programme (19)		**115.80**	
Special Programme for Sub-Saharan Africa (6)			
Guinea-Bissau (e)	Programme Loan	3.50	HC
Zambia (c2)	Agricultural Development	7.10	HC
Mozambique (c2)	Programme Loan	11.85	HC
Burkina Faso (e)	Agricultural Development	7.00	HC
Niger (c2)	Agricultural Development	10.25	HC
Uganda (c2)	Agricultural Development	9.10	HC
		48.80	
Grand Total Loans (25)(1)		**164.60**	
Technical Assistance Grants(2)		**10.84**	
TOTAL IFAD Operations in 1987		**175.44**	

Notes:

(1) Twenty-five loans were extended to 24 projects as the Smallholder Services Rehabilitation Project in Zambia received a loan under both the Regular Programme and the Special Programme.

(2) Regular resources SDR 6.64 million for 27 technical assistance grants and Special Programme resources SDR 4.20 million for 12 technical assistance grants.

(c1) Projects initiated by IFAD's cooperating institutions and cofinanced by IFAD.

(c2) Projects initiated by IFAD and cofinanced by other external donors.

(e) Projects initiated and exclusively financed by IFAD.

Explanation of lending terms:
HC: Highly Concessional
I: Intermediate
O: Ordinary

Any discrepancy in totals in all tables is due to rounding.

Summary of IFAD Projects under the Regular Programme by Initiating Institution and by Region, 1978-87

Table 3
(SDR million)

		1978-82		1983-87		1987		1978-87	
Africa									
Initiated by Coop. Institutions	(Amt.)	119.4		77.6		12.5		197.0	
	(No.)	16	45.7%	12	29.3%	2	28.6%	28	36.8%
IFAD-initiated	(Amt.)	170.4		212.3		29.4		382.7	
	(No.)	19	54.3%	29	70.7%	5	71.4%	48	63.2%
Recipient countries(1)		28		38		38		38	
Asia									
Initiated by Coop. Institutions	(Amt.)	221.6		91.1		0.0		312.7	
	(No.)	18	52.9%	8	32.0%	0	0.0%	26	44.1%
IFAD-initiated	(Amt.)	300.9		172.3		44.6		473.2	
	(No.)	16	47.1%	17	68.0%	6	100.0%	33	55.9%
Recipient countries(1)		12		16		16		16	
Latin America & the Caribbean									
Initiated by Coop. Institutions	(Amt.)	85.4		27.4		0.0		112.7	
	(No.)	11	47.8%	5	27.8%	0	0.0%	16	39.0%
IFAD-initiated	(Amt.)	110.3		69.0		27.4		179.3	
	(No.)	12	52.2%	13	72.2%	5	100.0%	25	61.0%
Recipient countries(1)		17		22		22		22	
Near East & North Africa									
Initiated by Coop. Institutions	(Amt.)	122.9		47.8		2.0		170.7	
	(No.)	12	63.2%	6	37.5%	1	100.0%	18	51.4%
IFAD-initiated	(Amt.)	89.3		65.5		0.0		154.7	
	(No.)	7	36.8%	10	62.5%	0	0.0%	17	48.6%
Recipient countries(1)		11		13		13		13	
Total									
Initiated by Coop. Institutions	**(Amt.)**	**549.3**		**243.8**		**14.5**		793.1	
	(No.)	**57**	**51.4%**	**31**	**31.0%**	**3**	**15.8%**	88	41.7%
IFAD-initiated	**(Amt.)**	**670.9**		**519.0**		**101.4**		1189.9	
	(No.)	**54**	**48.6%**	**69**	**69.0%**	**16**	**84.2%**	123	58.3%
Recipient countries(1)		**68**		**89**		**89**		89	
Technical Assistance Grants	(Amt.)	47.8		53.1		6.6		100.9	
	(No)	119		125		27		244	
TOTAL IFAD Loan and Grants		**1268.1**		**815.9**		**122.4**		2083.9	

(1) As at end of period

Overview of IFAD Loan and Grant Operations under the Special Programme for Sub-Saharan Africa, 1986-87

Table 4
(SDR million)

		1986	1987	1986-87
No. of Projects		5	6	11
Amount		30.6	48.8	79.4
Technical Assistance Grants	(No.)	6	12	18
	(Amount)	2.3	4.2	6.5
Total IFAD Loan and Grant Operations		**32.9**	**53.0**	**85.9**
No. of Recipient Countries(1)		5	11	11
Projects Initiated by IFAD				
Number		5	6	11
%		100.0%	100.0%	100.0%
% of projects on highly concessional terms		100.0%	100.0%	100.0%
Total Project Cost (US$ million)		109.5	114.6	224.1(2)
Financed from:				
IFAD SPA Resources		37.7	66.5	104.2
IFAD Regular Resources		7.0	11.5	18.5
Cofinancing		38.7	23.8	62.5
Multilateral		25.7	19.7	45.4(3)
Bilateral		12.5	3.9	16.4
NGO		0.5	0.2	0.6
Domestic		26.1	12.8	38.9(4)
No. of effective projects under implementation		1	3	3
No. of projects in pipeline		6	9	

(1) As at end of period.

(2) Includes two projects, US$ 16.8 million for Ghana in 1986, US$ 25.7 million for Zambia in 1987, partially financed under the Regular Programme.

(3) Includes one project, US$ 3.5 million for Zambia in 1987, partially financed under the Regular Programme.

(4) Includes two projects, US$ 4.6 million for Ghana in 1986, US$ 1.7 million for Zambia in 1987, partially financed under the Regular Programme.

Summary of IFAD Projects under the Regular Programme by Lending Terms and by Region, 1978-87

Table 5
(SDR million)

		1978-82	1983-87	1987	1978-87
Africa	**(Total Amt.)**	**289.9**	**289.9**	**41.8**	**579.7**
Highly Concessional	(Amt.)	262.2	225.5	41.8	487.7
	(No.)	31	33	7	64
Intermediate	(Amt.)	27.7	58.7	0.0	86.4
	(No.)	4	7	0	11
Ordinary	(Amt.)	0.0	5.7	0.0	5.7
	(No.)	0	1	0	1
Asia	**(Total Amt.)**	**522.6**	**263.4**	**44.6**	**785.9**
Highly Concessional	(Amt.)	398.5	188.9	17.5	587.4
	(No.)	25	17	3	42
Intermediate	(Amt.)	124.0	74.5	27.1	198.5
	(No.)	9	8	3	17
Ordinary	(Amt.)	0.0	0.0	0.0	0.0
	(No.)	0	0	0	0
Latin America & The Caribbean	**(Total Amt.)**	**195.7**	**96.3**	**27.4**	**292.0**
Highly Concessional	(Amt.)	32.9	20.2	4.2	53.1
	(No.)	5	3	1	8
Intermediate	(Amt.)	117.9	47.8	16.1	165.7
	(No.)	14	11	3	25
Ordinary	(Amt.)	44.9	28.4	7.2	73.2
	(No.)	4	4	1	8
Near East & North Africa	**(Total Amt.)**	**212.1**	**113.3**	**2.0**	**325.4**
Highly Concessional	(Amt.)	124.4	44.9	2.0	169.3
	(No.)	13	8	1	21
Intermediate	(Amt.)	70.6	32.6	0.0	103.2
	(No.)	5	3	0	8
Ordinary	(Amt.)	17.2	35.8	0.0	53.0
	(No.)	1	5	0	6
All Regions	**(TOTAL Amt.)**	**1220.3**	**762.8**	**115.8**	**1983.0**
Highly Concessional	(Amt.)	818.0	479.5	65.5	1297.5
	(No.)	74	61	12	135
Intermediate	(Amt.)	340.2	213.6	43.2	553.7
	(No.)	32	29	6	61
Ordinary	(Amt.)	62.1	69.8	7.2	131.8
	(No.)	5	10	1	15

A lift pump used to fill an irrigation canal with water from the Shebelle River is rehabilitated under a project financed by the Belgian Survival Fund in Somalia.

Intermediate loans are repaid over 20 years with five years' grace and 4% interest per annum. During 1987, six intermediate loans were approved, totalling SDR 43.2 million (US$ 56.0 million), making for a total of 61 intermediate loans over the decade for SDR 553.7 million (US$ 641.2 million), or 27.9% of total Regular Programme loans.

One loan at ordinary terms was approved in 1987 for Colombia in the amount of SDR 7.2 million (US$ 9.0 million). Ordinary loans carry an interest rate of 8% per annum for repayment in 15-18 years, with three years' grace. During IFAD's first decade 15 ordinary loans were made totalling SDR 131.8 million (US$ 156.3 million) and accounting for 6.7% of IFAD's Regular Programme lending.

Of the 19 projects approved under the Regular Programme in 1987, 16 or 84.2% were IFAD initiated and accounted for US$ 140.3 million or 88.2% of total lending for the year as compared with the average of 58.3% and 60.0% for the decade. Fifteen of these projects drew cofinancing from other bilateral or multilateral donor institutions in the amount of US$ 86.1 million in 1987 (Table 6).

For the ten-year period 1978-87, cofinanciers invested US$ 3 373.2 million in all projects (34.4% of total project cost) supported by the Fund compared to IFAD's investment of US$ 2 337.1 million (23.9% of total project cost). Domestic contribution was US$ 4 081.6 million (41.7% of total project cost) (Table 7).

Financing of IFAD Total Project Cost under the Regular Programme, 1978-87

Table 6
(US$ million)

Initiating Institution	Financing Plan	1978-82		1983-87		1987		1978-87	
		Amt.	%	Amt.	%	Amt.	%	Amt.	%
Projects Initiated by Cooperating Institutions	IFAD	671.9	16	263.1	10	18.7	12	935.0	14
	Cofinancing	1741.7	42	1004.8	40	105.2	69	2746.5	41
	Domestic	1755.6	42	1269.2	50	28.0	18	3024.7	45
	Total	**4169.1**	**100**	**2537.1**	**100**	**151.9**	**100**	**6706.2**	**100**
	No.	57		31		3		88	
IFAD-initiated & Cofinanced Projects	IFAD	207.7	42	436.3	34	132.3	43	644.0	36
	Cofinancing	158.3	32	468.4	37	86.1	28	626.8	35
	Domestic	129.9	26	371.5	29	86.4	28	501.4	28
	Total	**495.9**	**100**	**1276.3**	**100**	**304.7**	**100**	**1772.1**	**100**
	No.	19		49		15		68	
IFAD-initiated & Exclusively Financed Projects	IFAD	604.9	59	153.3	54	8.0	80	758.2	58
	Domestic	423.4	41	132.0	46	2.0	20	555.4	42
	Total	**1028.3**	**100**	**285.3**	**100**	**10.0**	**100**	**1313.6**	**100**
	No.	35		20		1		55	
All Projects	IFAD	1484.5	26	852.7	21	159.0	34	2337.1	24
	Cofinancing	1900.0	33	1473.2	36	191.3	41	3373.2	34
	Domestic	2308.8	41	1772.7	43	116.4	25	4081.6	42
	TOTAL	**5693.3**	**100**	**4098.6**	**100**	**466.6**	**100**	**9791.9**(1)	**100**
	No.	**111**		**100**		**19**		**211**	

Financing of IFAD Total Project Cost under the Regular Programme and the Special Programme for Sub-Saharan Africa, 1978-87

Table 7
(US$ million)

Initiating Institution	Financing Plan	1978-82		1983-87		1987		1978-87	
		Amt.	%	Amt.	%	Amt.	%	Amt.	%
Projects Initiated by Cooperating Institutions	IFAD	671.9	16	263.1	10	18.7	12	935.0	14
	Cofinancing	1741.7	42	1004.8	40	105.2	69	2746.5	41
	Domestic	1755.6	42	1269.2	50	28.0	18	3024.7	45
	Total	**4169.1**	**100**	**2537.1**	**100**	**151.9**	**100**	**6706.2**	**100**
	No.	57		31		3		88	
IFAD-initiated & Cofinanced Projects	IFAD	207.7	42	510.8	35	174.3	46	718.5	37
	Cofinancing	158.3	32	527.3	37	106.3	28	685.6	35
	Domestic	129.9	26	404.1	28	97.4	26	533.9	28
	Total	**495.9**	**100**	**1442.2**	**100**	**378.0**	**100**	**1938.1**	**100**
	No.	19		56		18		75	
IFAD-initiated & Exclusively Financed Projects	IFAD	604.9	59	168.8	56	23.5	92	773.7	58
	Domestic	423.4	41	132.1	44	2.1	8	555.5	42
	Total	**1028.3**	**100**	**300.9**	**100**	**25.6**	**100**	**1329.2**	**100**
	No.	35		22		3		57	
All Projects	IFAD	1484.5	26	942.7	22	216.5	39	2427.1	24
	Cofinancing	1900.0	33	1532.1	36	211.5	38	3432.1	34
	Domestic	2308.8	41	1805.4	42	127.5	23	4114.2	41
	TOTAL	**5693.3**	**100**	**4280.1**	**100**	**555.5**	**100**	**9973.4**	**100**
	No.	**111**		**109**		**24**		**220**	

(1) Includes US$ 5.2 million and US$ 9.0 million from the Special Resources for Sub-Saharan Africa which partially financed two projects in Ghana and Zambia respectively.

SPECIAL PROGRAMMING MISSIONS

During its first decade IFAD has carried out 35 Special Programming Missions (SPMs), including five undertaken in 1987 in Ecuador, Ghana, Nepal, The Philippines and Yemen A.R. These missions have performed a major role in programme development through their policy and strategy formulation tasks, not only in terms of their identification and analysis of rural poverty processes but also in their thorough review of the policy and institutional framework affecting IFAD's target groups. Now SPMs are also being employed in the identification of specific projects as a means of further strengthening the pipeline for IFAD-initiated projects and of enhancing their cofinancing possibilities.

Ecuador: Agricultural labourers hoeing a potato field.

Highlights on the results of the five SPMs undertaken in 1987 follow:

● Ecuador

The first SPM mounted to Ecuador found a lower-middle-income economy in which the poor had not shared equitably in the growth of the late nineteen-seventies and early nineteen-eighties. Fueled by oil revenues and rising debt, the overall economy grew by nearly 7% per year in the 1974-79 period and 3% annually between 1980 and 1982. The agricultural sector, however, grew at a rate of only 3% annually over the whole period, just slightly more than growth of the population. The fall in oil prices and the debt crisis have led Ecuador to adopt a structural adjustment programme (SAP) which is having the effect of increasing incentives for agriculture, both for export crops as well as food crops produced largely by small farmers. The adjustment programme is, however, reducing the funds the Government has available for financing development activities.

The SPM proposes a strategy of reactivation of agriculture based on the assignment of a high priority for small farmers and the elimination of systemic biases against the rural poor in credit and other development programmes. Within this strategy, the SPM encourages the Government to increase access by the poor to productive resources especially through agrarian reform in the highland and coastal areas where most of the population lives and by colonization of areas in the coast and Amazon basin not already claimed by indigenous populations. For farmers with sufficient land, the Mission recommends assisting them with credit and productive agricultural technologies including inputs and irrigation to increase production and family income. For the landless and families with insufficient land to substantially increase their incomes through farm-based activities, the SPM proposes household-oriented rural development focussing on non-farm activities. This means a primary focus on women, since male family members in many cases migrate to take employment in other areas of the country. The SPM also proposes the creation of non-agricultural rural employment linked with the production and input needs of agriculture and local supply of products and services needed by the rural population.

The Project Reconnaissance Mission, which carried out its work in Ecuador at the same time and in close collaboration with the SPM, provided four projects which are currently under consideration for future funding by IFAD. These are: a farm-oriented rural development project in Cañar, a household-oriented rural development project in Girón, a smallholder credit project and complementary small-scale irrigation.

● Ghana

In addition to the usual focus of an SPM, the Ghana SPM was the first of its kind to have attempted to assess the impact of structural adjustment policies on smallholders and the rural poor. A comprehensive review of the profile of rural poverty and the target groups supported by socio-economic indicators provide the background to analyze the impact of structural adjustment and to identify the systemic problems in rural Ghana.

Mission findings indicate that the number of people below the poverty line has almost doubled during 1970-86, whereas population in rural areas increased only by 43% over the same period. The increase in rural poverty is not the result of structural adjustment but it exists alongside the ongoing structural adjustment process with consequences that cannot be ignored. Analysis of the agricultural resource base also indicate that the transition period could take longer than expected, requiring continuous effort to mobilize the resources of smallholders and the rural poor for an active participation in economic development. IFAD's target groups are variously integrated with the money economy and are not immune to changes in the macro-economic climate.

The challenge for rural development is to increase the cohesion between sectoral and macro policies for a more durable growth-oriented strategy. This means measures which simultaneously provide immediate relief to small farmers and also bring about major institutional breakthroughs for longer-term development. In Ghana, where adjustment constraints have led to a serious disruption of applied agricultural research, components to strengthen this institutional capacity are called for. Smallholders including women-headed households are basically food producers and provide the bulk of marketable surplus. Given the appropriate support they possess considerable potential to improve the food security situation in Ghana.

The mission has recommended a two-pronged strategy to increase food production and rural incomes. The first relates to the enhancement of regional food security through assisting the drought-prone, resource poor and poverty stricken northern regions. The second related element of strategy is to assist pockets of the rural poor in the transitional zone of Ghana which supplies a large portion of the national food requirements with considerable potential for increased production. Whereas improved technology exists for the transitional zone, there is need to develop and adapt semi-arid technologies for the northern regions. Pursuit of both elements of the proposed strategy requires assistance for institution building, for soil conservation measures, and for increasing the efficiency of the delivery systems, for which the mission has provided proposals and project profiles.

● Nepal

The SPM to Nepal in 1987 followed an earlier SPM mounted in 1979, and sought, in collaboration with a parallel specific identification mission, both to identify general constraints on the income and production of the rural poor and to lay out a clear strategy to guide IFAD assistance in the coming years. The SPM paid particular attention to environmental issues, notably in the Hills. An important finding was that environmental degradation, particularly degradation of the forests, expresses a social process of impoverishment - inasmuch as small farmers, unable to maintain consumption on the basis of crop production from shrinking private plots, rely heavily upon livestock for food security, engaging in uncontrolled grazing with a detrimental effect on forest and soil cover.

In these circumstances it is impossible to address the environmental issue without at the same time addressing the roots of the rural poverty leading to abuse of the natural resource base. The SPM recommends programmes for rationalization of use of forest resources involving a strong component of control by producer groups, in addition to increasing assistance to rainfed secondary crops which, as in many areas, have been neglected relative to wetland crops such as rice.

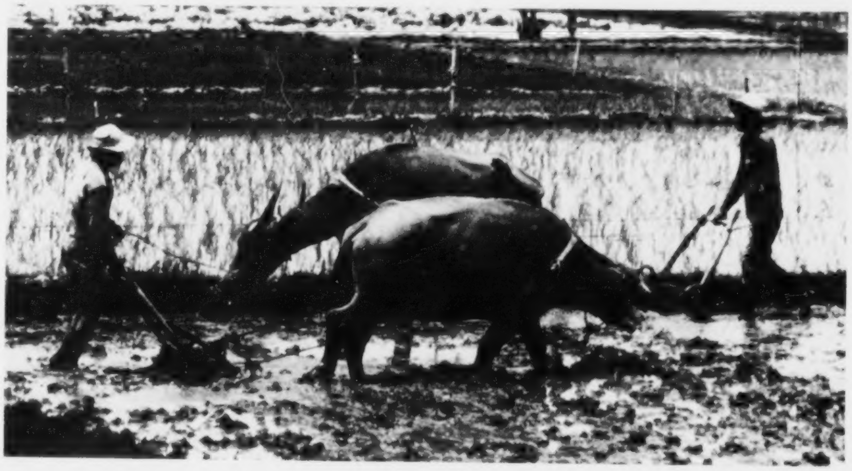
The SPM will outline the principal guidelines for IFAD's assistance to Nepal in the medium-term, corresponding to the highly differentiated circumstances of the IFAD target group in the country. Specifically, it will indicate the need for: (i) intervention in the livestock sector in the Hills, with particular emphasis on fodder development through the establishment of group control over areas of the collective and national forests and ranges; (ii) the establishment of a set of decentralized research activities oriented to development of secondary, rainfed crops; (iii) small-scale community based surface irrigation development in the Hills and Terai; and (iv) extremely small scale, targetted groundwater developments in the Terai based on shallow tube wells. It is anticipated that the small farmer groups such as those supported by IFAD in two previous projects would provide the organizational framework for many of these activities, particularly the latter two.

The Philippines

The SPM which visited The Philippines in July 1987 found difficult obstacles to economic growth co-existing side-by-side with a policy environment favourable to addressing the major problems of under-development and poverty in the country. The central elements of a strategy to maximize the contribution of the rural sector - in particular the rural poor - to socio-economic development include carefully designed incentive programmes for small-scale producers; accelerated investment, research and dissemination programmes to expand production capacity; wide-ranging agrarian reform measures; simultaneous efforts in output stimulation and environmental protection in the public domain uplands; credit programmes for small farmers; policies in the field of family planning and - by no means of least importance - the creation and implementation of poverty redressal programmes for improved health, nutrition and other basic needs.

Two key findings of the Mission concerned the urgent need for significant and widespread agrarian reform measures and for the decentralization of public sector planning and implementation responsibilities. The scarcity of land relative to population means that successful agrarian reform cannot be carried out on a limited or piecemeal basis if it is to reverse the trends of growing landlessness and low incomes. Furthermore, equitable growth in the rural sector will require that agrarian reform beneficiaries - small marginal farmers in the uplands and other low income groups - be given the technical means to raise their productivity and earnings.

The Mission also found that in this period of time a development strategy for agriculture in The Philippines should be mainly characterized by three factors directly influencing its equitable growth: the relative smallness of scale of interventions; the need for local testing and adaptation of technologies and the application of relatively untried approaches and programmes. Against this background and the other Mission findings the following general areas were judged suitable for IFAD interventions: small-scale irrigation combined with credit programmes for farmers groups; integrated social forestry; technological improvement with marketing support in upland areas; and credit and associated services for agrarian reform beneficiaries. Two other options proposed by the Mission are a smallholder coconut project and a rural small industry project, especially in rural areas with scarce land resources in relation to population.



Smallholder farmers in the Philippines use water buffalo to till their rice fields.

Yemen Arab Republic:
the remaining sluices
of the famous Maareb dam,
which created oases
in the desert in ancient times.

● Yemen A.R.

Although Yemen A.R. is a least-developed country within the drought-stricken arid band which stretches from the Cape Verde islands to south of the Arabian Peninsula, it does not suffer the abject or grinding poverty of other regions. This is largely due to the remittances of migrant labourers working abroad and their broad distribution throughout the country. Yet the apparent improvement in the standard of living, as manifested in the spread of the accoutrements of modern life, hides pockets of poverty and genuine deprivation.

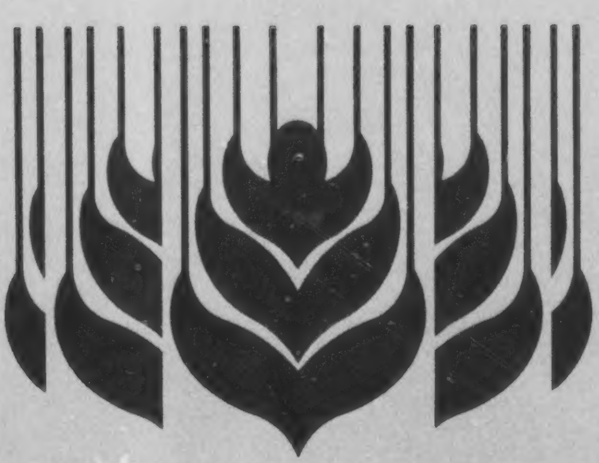
The Mission pointed out three principal factors which are still perpetuating poverty in Yemen A.R. One concerns the quality of the natural resource base and its depletion. Another is the socio-economic structure and institutional framework affecting the poor. Overlying these two factors is a complex of problems which continue to affect poverty patterns, in particular, the process of marginalization of peripheral communities which have been bypassed by recent development activities. The Mission reported that about two thirds of the population in small hamlets remain virtually untouched by improvements in infrastructure which were concentrated in the main towns and the more prosperous rural areas.

The Mission recommended that IFAD's future investment activities should be devoted to assisting the groups who remain on the periphery of the emerging infrastructural network, including poor fishermen. A two-stage approach in the implementation of a strategy would be required. First, a careful selection of activities could be undertaken in the short term within the current Five-Year Plan framework, while IFAD would also assume a more active and influential role in the formulation of longer-term investment activities. The Government has welcomed IFAD's specificity and stressed its importance in the next phase of its development effort. This will involve the Fund in the design as well as in the funding of rural poverty alleviation programmes envisaged in the next Five-Year Plan.

In the initial stage, therefore, the Fund would seek to concentrate its activities in three areas of immediate concern: (i) the efficient utilization and development of the natural resource base; (ii) family and household development stressing the role of women in production and food security and such basic services as health, education and credit supply; (iii) human resource and organizational development to strengthen project management and vocational training tailored to meet the managerial and technical demands of designing and implementing both new and on-going programmes for the rural poor.

Each of these areas is responsive to the needs of IFAD's target group and is complementary to, or fills a gap in, the broader regional development programmes under way. The Mission recommended that IFAD focus on particular project sub-centres, including those with a higher than average incidence of poverty; amenability to the needs of women and community development; absence of social services, including credit; danger of environmental degradation; and village water supply needs. Included in this initial agenda are follow-up activities for the on-going Tihama Development Project III stretching from the coastal villages inland through the poorer rainfed agricultural and livestock producing areas. Other identified project possibilities include a preferential credit scheme for small farmers and fishermen and management training for sustained development.

PROCEEDINGS OF GOVERNING BODIES AND ADMINISTRATION



GOVERNING BODIES AND ADMINISTRATION

Governing Council

The Eleventh Session of the Governing Council of IFAD, commemorating the Fund's Tenth Anniversary, was held in Rome from 25-29 January 1988. His Excellency Mr. Gerrit Braks, Minister for Agriculture and Fisheries of The Netherlands, was elected Chairman of the Council. Ambassador Bashir El Mabrouk Said of the Libyan Arab Jamahiriya and His Excellency Mr. FitzPatrick Chuula, Minister of Agriculture and Water Development of Zambia were elected Vice-Chairmen of the Council.

The Council noted the Report of the Chairman on the Preliminary Findings of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure and a Report on the Mobilization and Use of Non-convertible Currency Contributions and adopted three resolutions thereon: (i) a Resolution establishing the Consultation on the Third Replenishment of IFAD's Resources, consisting of all Members of Categories I and II and 12 Members of Category III; (ii) a Resolution requesting the High-level Intergovernmental Committee, as constituted, to continue its deliberations, taking into account the progress made and the conclusions reached by the Consultation on the Third Replenishment of IFAD's Resources; and (iii) a Resolution on the Mobilization and Use of Non-convertible Currency Contributions.

The Council adopted the Budget of IFAD for 1988 in an amount of US$ 34.494 million, plus a Contingency of US$ 500 000. It also approved the Audited Financial Statements of IFAD for 1986. The Governing Council approved by acclamation the application for non-original membership of IFAD by the Republic of Trinidad and Tobago.

In other resolutions, the Council, in accordance with the Fund's previous practice of adjusting the timing of the annual session of the Governing Council to the timing of other conferences, confirmed the recommendation of the Executive Board that the Twelfth Session of the Governing Council be convened from 24 to 27 January 1989. In accordance with Article 6, Section 8 (b), of the Agreement Establishing IFAD, as amended, the Council also extended the term of office of the President of IFAD until such time as the person appointed to the position of President by the Governing Council at its Twelfth Session is able to assume the office.

Cyprus and Cuba were elected as members and Nepal and Mexico as alternate members of the Executive Board respectively for the Asian and the Latin American and Caribbean regions of Category III. The list of Member States composing the Executive Board is given on page 75. The Council took note of the Progress Report on the Second Replenishment of IFAD's Resources, the Report on the Tenth Anniversary Celebrations of IFAD and the Report on the Status of the Headquarters Agreement. It also took note of and approved the Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

Resolutions adopted at the Eleventh Session of the Governing Council are presented on pages 66-70.

Executive Board

The Executive Board of IFAD held three regular sessions in 1987, in April, September and December, at which it approved 25 loans for 24 projects, including six loans under the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. The Board also approved 39 technical assistance grants. At each of its regular sessions the Board reviewed a number of operational matters and received status reports on the Fund's activities. It took note of projects in various stages of preparation and reviewed progress reports on project implementation and on monitoring and evaluation.

The Board also took note of the report on the IFAD/WHO/UNICEF/UNDP Joint Programme with the Belgian Survival Fund and expressed satisfaction at the progress made. It approved the Arrangement for the Financing of Various Studies and Short-term Technical Assistance Activities between the Government of The Netherlands and IFAD. It authorized the President to negotiate and sign two cooperation agreements with the Inter-American Institute for Cooperation on Agriculture and the United Nations Industrial Development Organization, and it adopted a resolution on the composition of the United Nations Joint Staff Pension Board. The Board approved the Second Cooperation Agreement Between IFAD and the Inter-Press Service and the corresponding Agreement with the Government of Italy. The Board recommended approval by the Governing Council of the application for non-original Membership of the Republic of Trinidad and Tobago. The Board also approved additions to the list of Observers that the President may invite to the Governing Council.

Regarding financial matters, the Board reviewed reports on the management of IFAD's investment portfolio and approved certain changes governing bond trading and revised limits affecting the cash and investment portfolio of the Fund. The Board decided against deliberate reduction in IFAD's liquid assets to avoid distortion of the pro-rata share concept and to insure investment income adequate to meet administrative expenses and transfers to the general reserve. The Board approved the transfer of US$ 5 million to the General Reserve for 1987 and approved the Tenth Drawdown in two tranches of a maximum of US$ 205 million from the First Replenishment in 1988.

The Board endorsed a Programme of Work of SDR 202.6 million for loans and grants under the Regular Programme in 1988 and approved a Budget of US$ 32.2 million, plus a contingency of US$ 500 000. The Board also approved the Programme of Work and Estimated Administrative Expenses of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1988 of SDR 65.6 million and US$ 3.6 million, respectively, the latter to be recalculated at the Italian Lire/US$ exchange rate approved by the Governing Council for the Budget for the Regular Programme. The Board expressed its deep concern about the delay in deposits of instruments of contribution and payments against pledges to the Fund's Second Replenishment and expressed its hope that the Special Resources for Sub-Saharan Africa would gain additional contributions towards its target of US$ 300 million. It considered the Audited Financial Statements of IFAD for 1986 and the Report of the External Auditor thereon, recommending them for Governing Council approval. It also approved the Audited Financial Statements of the Special Programme for Africa, together with the Report of the External Auditors thereon.

The Board heard oral presentations by the President on progress in the deliberations of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure, which met three times during 1987. At its Thirty-Second Session in December the Board noted the Report of the Chairman on the Preliminary Findings of the High-level Intergovernmental Committee and decided to forward it for the consideration of the Governing Council at its Eleventh Session. At its Thirty-Second Session the Executive Board also considered the Report on the Proposal to Establish an Evaluation Committee of the Board and decided to establish such a committee for a trial period of two years, with a membership of three Members from each category. Dr. Masihur Rahman of Bangladesh was elected as the tenth member and Chairman of the Committee.

In other actions, the Board considered the Report on the Promotion of Further Cooperation with Non-governmental Organizations and authorized the President to approve grants up to a total of US$ 350 000 per annum for specific activities to be undertaken by international and national NGOs. At each of its sessions the Board also received and took note of reports on the Status of Contributions and Activities for IFAD's Tenth Anniversary Celebrations.

The Board endorsed the Progress Report to the Eleventh Session of the Governing Council on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification and transmitted to the Council a draft Resolution providing for continuity in the Office of the President of IFAD under Article 6, Section 8 (b), of the Agreement Establishing IFAD. The Board also clarified Rule 12 of its Rules of Procedures governing sound recordings of its meetings. It took note of the Report on IFAD Management Information Systems presented at its Thirty-first Session.

● Membership and Representation

As of 31 January 1988, IFAD had a total membership of 143 countries - 20 in Category I (developed countries), 12 in Category II (oil-exporting developing countries) and 111 in Category III (other developing countries). Two of the latter had not yet completed the necessary formalities for membership.

The Member States of IFAD and the Fund's Governors and Alternate Governors are listed on pages 72-73. The membership of the Executive Board and the names of the Executive Directors and Alternates are listed on pages 74-75.

● The Audit Committee

The Audit Committee met four times during 1987. In accordance with its terms of reference, it reviewed and, as appropriate, made reports and recommendations to the Executive Board on the 1986 audited financial statements and the report of the External Auditor on the statements. As is the usual practice, the Committee also considered the scope of the work of the External Auditor and made recommendations on the Auditor's remuneration. In this respect, at the request of the Executive Board, the Committee concluded a review of the practice of other international financial institutions and recommended that IFAD's practice for the appointment of the External Auditor and for fixing the level of his remuneration, was appropriate and should be continued.

During 1987, the Committee consisted of Mr. Abdul-Karim Sadik (Kuwait, Chairman), Mr. Koichi Obata (Japan), Mr. Richard Seifman (United States of America), Mr. Bashir El Mabrouk Said (Libyan Arab Jamahiriya), Mr. Atif Yahya Abdullah Bukhari (Kingdom of Saudi Arabia), Mr. Leopoldo Ariza Hidalgo (Cuba) and, for part of the year, Mr. Dahn V. Borh (Liberia).

Revenue and Expenses

Total revenue for 1987 was US$ 93.1 million, consisting of US$ 68.4 million of investment income including gains on sales of investments of US$ 1.7 million, and US$ 24.7 million from interest and service charges on loans. Total expenses for the year amounted to US$ 29.6 million, compared with a budget before contingency of US$ 32.9 million. The excess of revenue over expenses for the year was US$ 63.6 million.

Investments

In keeping with the Guidelines approved by the Executive Board, the total liquid assets managed by IFAD are invested in obligations (bonds) issued or fully guaranteed by government or reputable international institutions and time deposits with major banks. In this context, the Fund has pursued a prudent policy of portfolio management which seeks to obtain the best rate of return on investment, subject to the provision that IFAD's exposure to market uncertainties, including exchange rate fluctuations, be minimized. IFAD's policy with regard to the currency distribution of its portfolio, including both liquid assets and promissory notes, has been the following:

- To match commitments in SDRs by ensuring that the Fund's holdings of promissory notes and liquid assets are consistent with the SDR composition.
- To ensure that the Fund's outstanding commitments in U.S. Dollars arising from the first ten dollar-denominated loans and from the equally dollar-denominated General Reserves and technical assistance grants are matched by additional dollar holdings over and above that required to match the dollar component in the SDR. Likewise, with respect to special additional contributions from donors, IFAD has to maintain a relation between the currency of investment and the currency of commitment under these arrangements.

As of 31 December 1987, cash and investments totalled US$ 1 081.9 million equivalent. Of this amount US$ 14.1 million was held on demand deposit and US$ 608.2 million, or 56% of the Fund's liquid assets, was held on deposit with, or in obligations issued by, commercial banks, while the balance of US$ 459.6 million was in bonds and similar securities issued or guaranteed by Member Governments. While the maximum maturity for any of these investments was 7 years, the average length of the investment portfolio was 18 months.

A programme of active portfolio management was initiated on a trial basis in late 1986 and carried on through most of 1987 as a means of more dynamic investment management. Since the inception of the programme, capital gains earned on bond switches have totalled nearly US$ 2.8 million equivalent. Given the positive results of this trial period, the Executive Board approved in late 1987 the recommendation of IFAD's management to make active portfolio management a regular part of IFAD's investment activity. At the same time, the Board also approved management's recommendation to extend the maximum remaining life-to-maturity on individual investments from five to ten years providing that the average remaining life-to-maturity of the total investment portfolio does not exceed five years.

The decline of interest rates worldwide persisted through 1987. This has of course limited the growth of IFAD's investment income. On the other hand, IFAD's investment income was boosted in 1987 by capital gains of approximately US$ 1.8 million equivalent earned on bond switches executed as part of the programme of active portfolio management.

Total investment income in 1987 amounted to US$ 73.4 million equivalent for the year. The rate of return on investments averaged 7.65% in 1987, compared to 9.25% in 1986.

Organization and Staff

At the end of December 1987, 169 of the 190 authorized regular staff positions were either occupied or in the process of being filled. Of these, 71 were executive or technical positions (professional category and above in the UN common system) and 98 support staff positions in the general service category. The professional staff of IFAD was made up of nationals of 38 different Member States. As in previous years, IFAD used the services of consultants, conference personnel and other temporary staff, thus enabling it to meet its operational needs while maintaining the regular staff at the minimum approved level.

ORGANIZATION CHART

President
Idriss Jazairy

Vice-President
Donald S. Brown

Financial Services Division

- CONTROLLER'S OFFICE
  Controller:
  Desmond Saldanha
- TREASURY
  Treasurer:
  My Huynh Cong

Personnel Services Division

Chief:
Alan Prien

Office of the President

Chef de Cabinet:
Isa Babaa

Internal Auditor:
Tor Myrvang

Legal Services Division

Director:
Mohammed Nawaz

Economic and Planning Department

Assistant President:
—

- PLANNING AND ECONOMIC ANALYSIS DIVISION
  Director:
  Helio Tollini
- POLICY REVIEW DIVISION
  Director:
  Mohiuddin Alamgir
- MONITORING AND EVALUATION DIVISION
  Director:
  Ram Malhotra

Project Management Department

Assistant President:
Moise Mensah

- ASIA DIVISION
  Director:
  Shiv Nath Saigal
- AFRICA DIVISION
  Director:
  Bahman Mansuri
- LATIN AMERICA AND CARIBBEAN DIVISION
  Director:
  Theodore van der Pluijm
- NEAR EAST AND NORTH AFRICA DIVISION
  Director:
  Samir Asmar
- LOAN IMPLEMENTATION UNIT
  Director:
  Seiji Shindo
- TECHNICAL ADVISORY UNIT
  Coordinator:
  Abbas Kesseba

General Affairs Department

Assistant President:
Enrique ter Horst

- OFFICE OF THE SECRETARY
  Secretary of IFAD:
  Thomas Harms
- EXTERNAL RELATIONS DIVISION
  Chief:
  Bouna Sémou Diouf
- INFORMATION AND COMMUNICATIONS DIVISION
  Director:
  Sergio Apollonio
- ADMINISTRATIVE SERVICES UNIT
  Chief:
  Gordon Munson

STATEMENTS DELIVERED ON THE OCCASION OF THE CELEBRATION OF IFAD'S TENTH ANNIVERSARY AND THE ELEVENTH SESSION OF THE GOVERNING COUNCIL OF IFAD

The Honourable *Giovanni Goria*,
President of the Council of Ministers of the Italian Republic

His Holiness the Pope *John Paul II*

His Excellency *Hussain Muhammad Ershad*,
President of the People's Republic of Bangladesh

His Excellency *Dr. Kenneth David Kaunda*,
President of the Republic of Zambia
and Current Chairman of the Organization of
African Unity (OAU)

Rome, 25-29 January 1988

ADDRESS BY THE HONOURABLE GIOVANNI GORIA, PRESIDENT OF THE COUNCIL OF MINISTERS OF THE ITALIAN REPUBLIC, OPENING THE ELEVENTH SESSION OF THE GOVERNING COUNCIL OF IFAD

10 IFAD
ASSISTANT PRESIDENT
VICE-PRESIDENT
PRESIDENT OF IFAD
CHAIRMAN

Mr. Chairman,
Mr. President of the International Fund for Agricultural Development,
Distinguished Delegates,
Ladies and Gentlemen,

I accepted with particular pleasure and great interest the invitation extended to me by the President of IFAD, Mr. Jazairy, to open the proceedings of the Eleventh Session of the Governing Council, which coincides this year with the Tenth Anniversary of the Fund's establishment. I am in fact profoundly convinced of the need to reflect together on the problems of agricultural development and to make every effort together to try to solve them.

This need unfortunately still exists, as the problems of underdevelopment, particularly those of hunger and malnutrition, are very far from being solved and continue to affect millions of human beings.

It would not be right, however, to pass over in silence the significant progress made towards solving these problems. I should therefore like to take this opportunity to pay tribute to the work done by the Fund, which in the first ten years of its existence has made a contribution of extraordinary value to the improvement of the living conditions of rural populations, particularly the poorest and neediest ones, thereby fostering the overall development process of the emerging countries. Interpreting the feelings of this meeting, I wish to express to the Fund and its President the appreciation of the international community, as well as the hope that this precious activity may continue with the same drive, the same determination and the same intelligence that have characterized its first decade.

I think reference should also be made to the United Nations Organization, to which the Fund belongs. Apart from the part it is playing in the settlement of the great political conflicts that mark our age, the United Nations has acquired, in the course of the years, a task that is equally important and, I should say, indispensable: that of acting as the driving force of cooperation for development. Within its structure there have in fact matured the various phases of a process that is not always easy and at times contradictory, but which has nevertheless made it possible to call to the attention of the international community the problem of the development of the emerging countries. A more deeply-rooted awareness of the mutual interdependence between the growth of the industrialized world and the development of the emerging world has thus been steadily taking hold, and the conviction has been gaining ground that in the face of the gravity and the complexity of the problems posed by the running of the world economy, no country - even the most fortunate - can think of managing on its own. If we want mankind to advance on the road of progress, justice, liberty and peace, the enemy to beat is national egoism.

Pope John Paul II, who will be with us today, has often reminded governments, with courage and determination, of the need for international solidarity and of more balanced conditions in the relative prosperity of the peoples, as well as of the defence of the poorest strata of the population within each country. In the course of the many "pilgrimages" of peace he has made all over the world, his conviction - to quote the words of Pope Paul VI - that development is the new name for peace - is a teaching and an example which we are all called upon to follow.

In this context, the recent agreement between the United States and the Soviet Union on the elimination of a whole category of nuclear arms is an event which we hope may lead to the conclusion of new agreements, regarding both nuclear and conventional weapons, and hence to the gradual establishment of ever greater trust and cooperation among the nations.

The Italian Government, for its part, will continue working to promote disarmament and international cooperation and to increase further its participation in aid for development, as well as for the international agencies which are its instrument. Among these the International Fund for Agricultural Development occupies a particularly important place, as its philosophy fully corresponds to Italy's strategy of cooperation for development.

The Fund is in fact the first international financial institution to have helped the poorest populations of rural zones, about one billion human beings, with incomes often less than a hundred US dollars a year. Its aim is to promote the kind of development that can be pursued by the poorest rural populations and it is precisely for these populations that it conceives and implements its programmes.

For a peasant in conditions of extreme poverty a good hoe may be more useful than a powerful tractor, and for an artisanal fisherman a strong net may be more useful than a deep sea trawler.

The Fund therefore tries to make the tools of production available to all those who need them but are unable to procure them, and sees to it that the beneficiaries are as numerous as possible.

The specific finalities of its strategy, the precise identification of the beneficiaries of its programmes and the original tripartite structure upon which the cooperation between 20 developed countries, 12 oil exporting countries and 110 non-oil exporting developing countries is based, constitute that diversity which is the very essence of the Fund and of which it is rightly proud. I should like to add another particularly significant element - that strictness of management which President Jazairy, at the time of his appointment in November 1984, declared that he intended to pursue, as we recognize he has indeed done.

As I remarked just now, the philosophy which inspires the International Fund for Agricultural Development fully corresponds to the principles on which the Italian policy of cooperation for development is based. From the historical viewpoint too, the parallel is interesting - today we are celebrating the Tenth

Anniversary of the Fund and Italy's becoming one of the group of donor countries at the end of the seventies and a substantial one at the beginning of the eighties. Both the Fund and Italy have therefore been able to benefit from the experience and, at times, also the mistakes made by others.

Again, until the seventies the prevailing orientation not only among the donor countries but also among the beneficiary ones tended to favour a process of intense industrialization in the latter, giving priority to the construction of large infrastructure and the rapid introduction of advanced technologies, instead of the satisfaction of primary needs.

Experience has shown that although in the most fortunate cases this model has ensured a modest growth of the gross national product, at the same time it has had serious adverse effects - a disorderly drift from the country to the towns and over-rapid and massive urbanization; a decrease in agricultural production and the consequent need to import food commodities, and the shift of demand towards consumer goods preferred by town dwellers; increased dependence on foreign countries and the deterioration of the balance of payments, as well as serious environmental degradation.

Agricultural development aimed, in the first place, at ensuring food self-sufficiency, health assistance and professional training ended up, in line with this approach, by taking second place to other forms of intervention. These constitute, instead, the very essence of Italy's cooperation policy which, while not neglecting the important sector of infrastructure, above all puts Man at the centre of development, in the belief that the recuperation and enhancement of human resources are the sine qua non *for real progress. The strategy pursued by Italy, therefore, is not a static one, dictated primarily by humanitarian considerations and a desire to assist, but a dynamic strategy, that is aimed at the development of Man and his primary needs and based on Man and his fundamental expectations and aspirations.*

In the last few years Italy has made a remarkable effort in public aid for development and has provided to it an increasing flow of resources. In 1975, the percentage of our gross national product that was allocated to this end was just 0.12%. Now we have reached 0.40%, overtaking the OECD Development Assistance Committee's average of 0.36%.

I can confirm here the Government's intention to continue along this road. In the bill now being examined by Parliament, the allocation for 1988 is envisaged as 4 425 billion lire, an increase of 10% over last year. Although the planning of our actions for this year is not yet fully defined, it can certainly be said that priority will continue to be given to the four sectors mentioned above: agriculture; health; training; and of course basic infrastructure. Italy remains a

The Honourable Giovanni Goria, President of the Council of Ministers of the Italian Republic, speaks to IFAD President Idriss Jazairy before delivering the opening address to IFAD's Governing Council.

convinced supporter of multilateral cooperation; for this an allocation is envisaged which, in percentage terms, should again in 1988 be about 40% of the whole amount earmarked for public aid to development.

As regards IFAD in particular, Italy participated in the Second Replenishment of the Fund with a contribution of 30 billion lire and is ready to participate in the Third Replenishment in a constructive spirit, characterized by flexibility and commitment. Italy welcomed the Special Programme for Sub-Saharan Africa with keen interest, pledging a contribution of 30 billion lire. In this connection and as a further testimony of my country's faith in the Fund's activity, I am happy to announce on this occasion an extraordinary contribution of an additional 10 million dollars.

Furthermore, Italy for its part will continue to intensify its already fruitful cooperation with the Fund, through the financing of specific projects which would aid development. Lastly, in agreement with the Fund, it will not fail to participate in those initiatives aimed at enhancing and publicizing the activities that will be carried out in the course of this year to celebrate the Tenth Anniversary of IFAD's establishment.

Italy is also following with keen attention the work of the High-Level Intergovernmental Committee on the Future Financial Basis and Structure of the Fund, the conclusions of which will have a direct influence on the Third Replenishment. In this regard I hope that all the participants, whether they belong to the developed, the oil exporting or the developing countries, will give proof of flexibility and understanding: Italy for her part will not fail to do so.

In the context of this fortunate convergence of orientations between Italy and IFAD, I am happy to be able to confirm today that, the preparatory proceedures having been completed, the choice that will enable IFAD to have its permanent headquarters is in the phase of definition. This is a question of fulfilling a pledge in which I wish to see reflected all the appreciation that the Italian Government and people have for the activity of IFAD and its officials.

Lastly, I should like to recall briefly two considerations I made in my speech on the occasion of the VII World Food Day on 16 October last. The theme - as I should like to mention here - was precisely that of small farmers, on whose behalf IFAD carries out its activities.

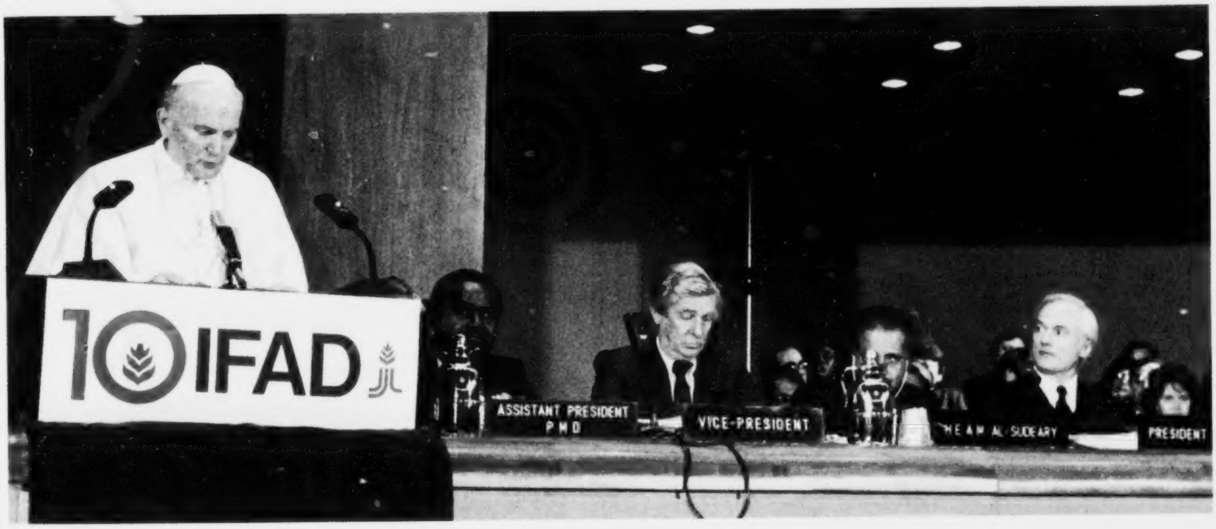
The first consideration started from the denunciation of the grave contradiction between the industrialized world, which is suffocated by the increasing cost of its agricultural surpluses, and the developing world, which is often unable to satisfy ts own food needs. The solution to this problem is not to be found in the mere willingness to transfer these surpluses; what is necessary is that some of the industrialized countries should adopt appropriate measures, in particular within the EEC and in the framework of the GATT, to promote greater order on the international markets for agricultural products and that the developing countries should increase their production of agricultural products, especially those to be used to satisfy the food requirements of their own populations.

The second point stressed the need for tighter control during the implementation of cooperation for development programmes and a more profound evaluation at the end of them to verify the correspondence between the objectives set and the results achieved. A scrupulous and also critical examination of the use of aid would give the latter transparency and effectiveness and would in itself certainly be a valid instrument for increasing the readiness to grant international aid.

The objectives we have set ourselves to combat underdevelopment and in particular hunger, disease and ignorance, are undoubtedly hard to achieve, but all our efforts are addressed to a cause that is of the noblest: that of reducing inequalities and pursuing the inestimable good of the peaceful development of peoples.

It is in this spirit that I desire to express again today the feeling of special appreciation for the role which the International Fund for Agricultural Development has been playing for a decade. On Italy's side, we shall not fail to provide our convinced cooperation and our active support.

ADDRESS BY HIS HOLINESS THE POPE JOHN PAUL II TO INAUGURATE THE TENTH ANNIVERSARY CELEBRATIONS OF IFAD



Mr. Chairman,
Mr. President of IFAD,
Mr. President of the Council of Ministers
of the Italian Republic,
Honourable Ministers,
Distinguished Delegates and Permanent Representatives
of the Member Countries,
Ladies and Gentlemen,

I very willingly accepted the invitation you extended to me, Mr. President, on behalf of the Representatives of the 142 Member States of the International Fund for Agricultural Development (IFAD), to take part in the solemn celebration marking the Tenth Anniversary of the creation of this Intergovernmental Organization.

The recent establishment of the Fund has not prevented it from assuming an imporant role in the vast effort of solidarity made by the nations in this second half of the twentieth century. And your Organization occupies a particular place among the international institutions that now characterize the life of the peoples.

In the future, when people remember the age in which we live, they may recall the host of problems and divergencies, or the too numerous conflicts, or the amazing scientific and technical developments; but they will also stress that this was a time of international solidarity, thanks to the efforts made to address and solve world-wide problems and thanks also to the innumerable organizations created during this period. Much work will have been done in the sphere of peace, justice, economic, cultural and scientific cooperation, human rights, public health, or hunger. Such efforts cannot be in vain. How could they be forgotten by future generations?

The International Fund for Agricultural Development, which five years ago chose, as its permanent home, Rome, a city dear to the whole world because of its exceptional wealth of religious and human tradition, belongs to the system of specialized United Nations agencies which have as their aim precisely that of raising and using financial resources for projects and programmes concerning food and agriculture.

The Holy See, which attaches particular importance to the peaceful and interdependent development of the international community, encouraged from the start the proposal for an instititution devoted specifically to the financial support of individual or collective initiatives for cooperation in the most disadvantaged regions; and it has not failed to watch its evolution, because this initiative seemed capable of contributing in a large measure to the fight against hunger and malnutrition.

The grave problem of hunger, which today still afflicts so many regions of the world, cannot in fact be solved only by the intervention of the countries that produce food commodities; an efficacious solution can be found only by stimulating the considerable human resources of the agricultural workers, fishermen and animal husbanders who lack the economic and technical means they need. For this reason, it is important that the allocation of aid and the remuneration of productive labour take the greatest account of the needs of social justice and encourage the cooperation of all. Indeed, no one can fight alone against ecological constraints such as unfavourable atmospheric conditions, prolonged drought, parasites or the incredible damage done to the land by ill-considered human actions or neglect.

But the Holy See's support for IFAD is also of a moral order, because, for many countries, this Organization represents a concrete means of shouldering their responsibilities towards the development of the poorest countries: whole categories of workers are provided with the means of fighting hunger and malnutrition themselves. In this way these men and women use their capacities better and affirm their dignity.

In the same order of ideas, IFAD is an original institution by virtue of the criteria it adopted to determine the financial contributions in accordance with the real economic and development possibilities of each of the member countries, which are divided into three distinct groups. Likewise, the allocation of financial resources is proportionate to the beneficiary countries' possibilities of using them. In the face of the most serious shortages, or severe crises, credit facilities and free grants are provided.

The Fund's objectives, however, are not limited to the allocation of credits or grants, but include the study of the world economic situation. We are all convinced that, despite the efforts of international organizations and the results already achieved, whole continents find themselves faced with the urgent need to improve the living and working conditions of hundreds of millions of people. In December 1986, during the Tenth Session of the Governing Council of IFAD, its President underlined the fact that in Asia, for example, dozens of millions of people continue to suffer from hunger and live without the power to hope for an improvement. In Africa the problem of survival is of catastrophic dimensions, and in Latin America an important part of the population remains excluded from development, in impressive zones of poverty, and these situations continue to exist despite a notable increase in world food production in the last few years.

In 1967 my predecessor, Paul VI, in his encyclical on the development of the peoples pointed out, among the ends to be pursued, the passage, for each and for all, from less human conditions to more human conditions of life (n. 20); he recalled the material shortages, and the exploitation of workers; he also indicated other objectives: ensuring for all the possession of what is necessary, overcoming social scourges, working for the common good (cf. n. 21).

Faced with such objectives, one cannot leave things to merely individual initiatives or the free play of competition. John XXIII had already stated, in his social encyclical Mater et Magistra, *the need for concerted programmes to encourage, stimulate and coordinate the action of individuals and intermediary bodies (cf. AAS 53 (1961), p. 414).*

Now, alongside bilateral cooperation, multilateral cooperation is assuming particular importance because it is a means of overcoming the risks of neo-colonialism, or the fears of strategic hegemonies, in situations in which political, military, economic or ideological interests are given priority, to the detriment of the human needs of populations.

Liberty, mutual respect, and the principle of equality, as well as the development of international cooperation, form part of the aims recognized by the member countries of the United Nations. These objectives still remain to pursue and to defend; their realisation depends on the vitality of international relations; it is held up by crises; it is annulled by the effects of violence; but it progresses in mutual esteem and trust; it is fostered by the common will for effort; it benefits from a climate of detente among the different countries.

The Tenth Anniversary of IFAD's establishment, celebrated today, provides an exceptional occasion for verifying the work done and, at the same time, for paving the way for the future. In fact, the role the Fund intends to play will be all the more dynamic when the common will to put into effect the ideals declared ten years ago is reaffirmed.

We are the witnesses of a process of international detente, marked by the first real disarmament agreement concluded between the United States of America and the Soviet Union, and we wish to hope that this is the basis for more radical disarmament. But all this would have no meaning unless a greater degree of economic cooperation were reached, benefiting the most disadvantaged regions of the world. It therefore seems logical that the immense resources invested in building atomic arsenals or purchasing so-called conventional arms should be massively appropriated to the development of the poorest countries.

What I had the occasion to say recently to the Diplomatic Corps accredited to the Holy See, I should like to reaffirm here: the process of peace and of international detente requires justice, the safeguarding of the rights of individuals and peoples, and development. This is why the slogan launched by Paul VI twenty years ago remains valid: "Development is the new name for peace". It shows in what direction the efforts of all must be directed during the years to come.

From this tribune, in the presence of the distinguished Representatives of the many Member Countries of the Fund, I should like to make an appeal to all Governments, so that each, according to its political and economic possibilities, may collaborate in this major work: giving to peace the name of development. A development that respects the rhythms of growth and the values of every people and every culture. A development that signifies victory over endemic diseases, victory over the forms of poverty that wound humanity, victory over hunger, "the urgency of urgencies" (speech to the Diplomatic Corps, 9 January 1988). A development that is truly suited to Man and befits his dignity.

No longer to see entire populations die because they lack the essentials: this is not Utopia, it is a hope. We are responsible for its realisation. We must dare to renounce excessive military expenditure to devote the maximum resources to economic, social, agricultural, health, cultural and scientific cooperation. Development depends on the possibility that workers, especially the most emarginated ones, will have of uniting for productive cooperation, and for trading the fruits of their toil. It depends on how we place respect for the equal dignity of the whole human family above the search for profit, so that Man may not be considered as a tool nor the poorest peoples as mere providers of raw materials. The respect we have for humanity, today humiliated by scarcity and poverty, will only be sincere if the most developed societies concretely aid the development of the most impoverished.

It is in any case necessary that the generosity of the richest countries should not diminish; that a new trust should be born between the more developed countries and the developing ones; that every temptation to hegemony should be renounced; that the administrations concerned should give proof of perfect rigour in the use of loans and credits; and that the real will should exist to achieve the social and human development of the peoples.

His Holiness
the Pope John Paul II
is welcomed by IFAD
President Idriss Jazairy
on his arrival
at the Governing Council
session to inaugurate
IFAD's Tenth Anniversary
celebrations.

In this perspective, the Church desires to lend its support and its contribution to those who foster social justice and the improvement of international economic life. The Church, in this sphere, does not propose theoretical or technical solutions. However, She wishes to recall that all the solutions considered should be well-suited to the concrete situations they concern. It was precisely to respect this criteria that in 1984, at the time of the creation of the Foundation for the Sahel, that I deemed it essential that the local churches should study and administer the development projects envisaged in a region so sorely tried by natural calamities. So they take part, in a complementary manner, in the efforts of the populations, giving priority to the training of the Africans themselves, in order to make them more able to combat drought and progressive desertification. Although modest and recent, the initiative is beginning to bear fruit; hope is being restored to the communities that are once again becoming responsible for the future of their land. I hope that your Organization, whose aim is to foster international development, may not be content with allocating the financial resources with which it is endowed, but may at the same time give confidence to all the populations tried by interminable suffering.

Mr. President, in my speech I have wished to recall the objectives and the spirit of the action taken by the Organization over which you preside, and to propose some essential criteria for the important work that the International Fund for Agricultural Development has to accomplish.

I am sure that, thanks to its ten years' experience, IFAD will not fail to give its action fresh impulse, in the clear consciousness of the humanitarian and social objectives implicit in its aims. And this activity would be impossible without the financial and technical contributions of the Member Countries. I should, therefore, like to take this opportunity to express all my esteem to the Governments that do not fail and will not fail to make their generous contributions.

The responsibility for the human development of the most impoverished regions, particularly those that are trying to arrive at a capacity for sufficient food production, is the responsibility of all. None of us can believe himself free from this so long as there exist men and women who lack the bare necessities. In these circumstances IFAD can really be a living sign of the common will to give humanity a more assured future and greater hope.

I hope, Mr. President, that the activities carried out by your Organization in this spirit may achieve successful results in the coming years. And I pray that the Most High may bless your efforts in the service of Mankind.

KEYNOTE ADDRESS BY HIS EXCELLENCY HUSSAIN MUHAMMAD ERSHAD, PRESIDENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

IFAD
ASSISTANT PRESIDENT PMD
VICE-PRESIDENT
H.E. A.M. AL-SUDEARY

Mr. Chairman,
Mr. President,
Governors of IFAD Council,
Ladies and Gentlemen,

Assalamu Alaikum.

It gives me immense pleasure to see you chair this important session. I congratulate you, Mr. Chairman, on your election. We know that you and your great country are in the forefront of the international efforts to bring relief and succour to the poor and the underprivileged. It is my conviction that through your wise and dynamic leadership the deliberations of this session will make important contributions to our common effort to achieve a better world.

I am particularly happy to see that the Presidency of this Fund is in the hands of an outstanding personality of the Third World, representing a strong commitment and belief in collective efforts in realising our objectives of balanced growth and development. Brother Idriss Jazairy of Algeria deserves our warmest greetings for his leadership of this organization.

Mr. Chairman, it is indeed a privilege for me to be invited to address this distinguished gathering on the occasion of the Tenth Anniversary of IFAD in the eternal city of Rome. Italy in general, and Rome in particular, played an important role in the promotion of harmony and understanding in the world. This morning, the Honourable Mr. Goria, in his gracious inaugural address, has once again underlined Italy's special role in and concern for the promotion of international cooperation and development. Italy's consistent support to IFAD is a source of strength for all of us.

We have gathered here from all parts of the world out of our common concern over the dangerous exposure of large sections of mankind to poverty, malnutrition, hunger and periodic famines. We could begin, therefore, with a broad view of the present stage of mankind's progress in dealing with these pressing problems and the contributions made by the IFAD to this continuing endeavour. This should give us a view of the problems we have faced in the past and those that the future will bring.

Mr. Chairman, as all of us remember very well, IFAD was established against a scenario of wide-spread food shortages, poverty, malnutrition and hunger surrounding the developing countries. The essence of its objectives was the expansion of food production and the alleviation of poverty aimed at ensuring for the poorest of the poor access to a rising level of nutrition and the progressive enrichment of their existence in all its dimensions.

We can feel encouraged by the technological progress in the production of food, broadly sustained now for over a decade. Improved varieties of seeds, increased availability as well as application of fertilizers and expanded irrigation have combined to impart a heartening impulse to the growth of food production in developing countries as a group. Some major producing countries have surpluses and in some cases the stocks have exceeded previous records. There is however no reason for complacency. The distribution of technological progress across countries remains extremely uneven. It still eludes large parts of the developing world and many countries which have substantially benefited from it are still susceptible to sudden set-backs due to diverse shocks. Despite these very real weaknesses, overall progress in food production in the world as a whole and also in the developing countries as a group is clearly substantial.

But have we made substantial progress in our struggle against poverty and hunger? In spite of the achievement in global food production, many countries still suffer from persistent food shortages. There are millions who continue to face malnutrition and hunger. In the low-income developing countries the situation is especially critical. Persistent hunger and malnutrition continue to haunt the poor and deprive them of human dignity. Thus, while on the one hand world food production has increased appreciably, on the other hand, we find today that the number of undernourished and malnourished people has also gone up. This is a tragic paradox and is not a situation in which we can remain unconcerned. Mr. Chairman, our struggle against poverty, malnutrition and hunger is still in its early stages.

That IFAD has made a significant beginning in addressing the problem of hunger is certainly a matter of great satisfaction to all of us. Consistent with its mandate to help achieve increased food production, IFAD has rightly focused its policies and programmes on assistance to the low-income countries for a rapid expansion of their food output. We are happy to note that special care has been taken to assist the small and marginal farmers in this difficult endeavour. At the same time, attention has been paid to the vital need to develop the necessary infrastructure and institutional arrangements which directly help in augmenting food production in the low-income countries such as my own. It is a matter of even greater satisfaction that IFAD's programmes and projects have laid stress on assistance to the landless, the smallholders, the artisans, the fishermen, the rural poor and particularly women. I cannot thank IFAD enough for the thoughtful and well chosen programmes which aim at these less fortunate groups who form the bulk and significant portion of the society of the low-income countries. We have not yet come across a more appropriate strategy or a quicker remedy for the removal of poverty through economic development.

But in spite of these commendable beginnings the sad fact we have to admit is that we have yet to make substantial progress in our struggle against hunger. The thought that millions of people still suffer from chronic malnutrition and hunger haunts the spirit of all who care about their fellow beings. We in Bangladesh as also our fellow developing countries need to pool the full strength, wisdom and above all our determination to remedy this and to bring a reasonably decent life within the reach of everyone. In other words, continued priority has to be given to the programme of increased food production, alongside innovative measures for expanding productive employment so as to enhance access to food and nutrition.

While the overall trend of food production in developing countries in recent years has been generally positive, during the six years between 1980 and 1986, apparently only in a few countries in Asia has food production generally exceeded the growth in population. In other regions of the developing world, the per capita production of food has remained stationary or has actually declined. According to the FAO, Asia's food production in 1986 did increase faster than its population, though Brunei, Nepal and Sri Lanka experienced a *decline in their per capita food production. China, Malaysia and Pakistan accounted for most of the increase. The rest were stationary. In 1986 the situation in Latin America and Africa was worse. In both regions as a whole per capita food production declined. In Argentina, Chile, Colombia and Uruguay food supplies could just keep pace with their expanding population. Africa has not yet overcome the terrible effects of drought and famine, and although the continent generally had good harvests in 1986, its population continued to grow faster than its food production. We are glad to note that now the number of countries to the south of the Sahara which are experiencing abnormal food shortages has gone down. But, we are warned that Africa's trials are far from over.*

Mr. Chairman, sub-Saharan Africa's situation is an ample illustration of how dangerous an economic situation can be if the necessary investments for agricultural development cannot be arranged for a long time. I am sure everyone present here fully supports and endorses the initiative taken by IFAD in joining other multilateral and bilateral donors to seek long term solutions to the human problems of sub-Saharan Africa and to explore possibilities of increasing food production and protecting the environment.

It is relevant to recall that when IFAD was established ten years ago it was given a clear mandate. The founding agreement stipulated that in allocating resources, the Fund shall be guided by the following priorities: (i) the need to increase food production and to improve the nutritional level of the poorest populations in the poorest food deficit countries, (ii) the potential for increasing food production in other developing countries. Likewise, emphasis shall be placed on improving the nutritional level of the poorest populations in these countries and the conditions of their lives.

Over the last decade we in Bangladesh have watched with admiration IFAD living up to its mandate with an impressive performance and professionalism. It has made great efforts to identify long-term issues in food production. It has also made considerable efforts to address these issues in each country within the framework of a sectoral programme and has sponsored specific assistance programmes relevant to the region. Whatever be the emerging resource scenario, we earnestly hope that this policy will be followed in future IFAD operations. IFAD has provided 2.2 billion US dollars in concessional loans and has mobilized over 7 billion US dollars in additional resources to finance nearly 200 projects in nearly a hundred countries throughout the developing world. These projects have taken a wide variety of forms ranging from integrated rural development to management training, from agricultural development to rural credit, and from development of livestock and fisheries to irrigation. The most conspicuous feature of these programmes is that the focus has always been on the rural poor. The fact that IFAD has made its special concern to deal with the most disadvantaged segment of the population the landless, the small-scale farmers, the poor fishermen and the rural women makes IFAD unique among the sources of multilateral assistance.

Mr. Chairman, the approach of my Government is similar to that of IFAD. The conditions in my country are particularly relevant to IFAD's objectives, and are also suitable for attention from IFAD. As you know, a significant proportion of our people survive below the poverty line. Though there has been a steady progress in the area of food production, unfortunately we have not been able to alleviate rural poverty. My Government has, therefore, adopted as one of its major objectives in the Third Five-Year Plan the removal of rural poverty through programmes designed to create rural employment. We have taken up schemes to develop our rural infrastructure and to help improve people's - particularly women's - access to resources and institutional credit. We are also making an all out effort to achieve these goals through flexible programme design and implementation, and particularly through participation of the beneficiary groups. My Government has introduced many important administrative changes in order to decentralize decision-making and implementation by establishing a new form of local government - the Upazila system - and by restructuring the local government institutions. This has made it possible for the programmes and projects to be planned and implemented with local level participation and with appropriate support from the national government. I am really happy that in many cases these efforts are being supported by many bilateral and multilateral donors. It sincerely pleases me to say that because of the compatibility of IFAD's mandate with my country's *objective conditions, it has been possible to establish a very fruitful and cooperative relationship between IFAD and Bangladesh.*

Mr. Chairman, may I also note another distinguishing feature of IFAD which is demonstrated by this very conference: donor and recipient countries have met as equal partners in governing, in decision-making and in working together to provide plans and resources for projects. This, Mr. Chairman, is surely a concrete expression of the belief that food and poverty issues are world problems. They are not simply matters which affect only the Third World nations.

The initiatives taken by IFAD need to be sustained and expanded if we are to address the problems of poverty and hunger. Attention has to be focused as a matter of priority on food deficits and persistent poverty in the least developed countries. But this cannot be done except in the context of a congenial international economic environment. The overall declining trend in commodity prices, the uncertainties in the international capital and foreign exchange markets, the continuing debt problem and the stagnant international aid climate very adversely affect the transfer of resources to the developing countries from the developed world. They also create uncertainties regarding the future funding and resource replenishment of IFAD. If the international community intend to respond positively to the challenges of poverty and hunger and to let IFAD play its role effectively, an adequate provision of resources has to be made. This is a critical issue. I appeal to the donor member countries kindly to deal with this problem with imagination and determination.

We are happy that an agreement on the Second Replenishment of IFAD's resources has been signed. Though quite modest, this agreement symbolizes a general acceptance of the great importance of international cooperation in a vital area. In this context I wish to take the opportunity specially to commend the efforts of the Category I and Category II countries who have happily reiterated their support to IFAD. Coming as it does at a time of declining income, this support demonstrates those countries' unreserved commitment to North-South and South-South cooperation. We sincerely hope that the world community, particularly the developed countries, would continue and expand their support of IFAD. The negotiations for the Third Replenishment, which are expected soon, should ensure the uninterrupted flow of resources for the Fund in order to strengthen that Organization without change to its structure and objectives.

Mr. Chairman, in recent times emphasis has been given to structural adjustment measures in developing countries. This has come in response to the changing international economic environment and to the countries' need to achieve higher economic growth rates. We in Bangladesh, like many other developing countries, have adopted adjustment and stabilisation policies. Some of these measures have achieved successes in varying degrees though

President Hussain Muhammad Ershad of Bangladesh, keynote speaker at the Governing Council session, talks to IFAD President Idriss Jazairy.

at some social costs. In many cases these policies place a heavy initial burden on the poor and the disadvantaged. It is necessary to moderate the adverse impact of such policies on the poor and the disadvantaged and to try to give "a human face" to adjustment measures.

Mr. Chairman, policy reforms and adjustment measures must not become separated from social and political realities. These must be taken into consideration because they set the limit of policy actions. While realistic policy dialogues must continue between the concerned agencies, IFAD should go ahead in devising special programmes with fast disbursing investment opportunities so that food production is increased and well targeted disadvantaged groups get maximum possible access to resources. In this context let me mention the case of Bangladesh which is the largest of the least developed countries. In spite of the difficult external and internal conditions, our economy, in the past five years, has demonstrated it resilience and capacity for resumption of growth following shocks and set-backs. We adopted a strong adjustment programme last summer. But unfortunately the country was hit by one of the worst floods of this century. Losses in property and assets amounted to nearly 8% of our GDP. In the face of such staggering losses a decline in per capita income this year is almost certain - despite assistance from the international community and a strong domestic effort. We have mounted a massive rehabilitation programme to reconstruct the rural infrastructure which was damaged extensively and to recoup agricultural production losses. My Government is emphasising targeted food-for-work programmes which combine rural investment with enhanced access to food for the poor.

A very heartening element in the cooperation between Bangladesh and IFAD is the latter's participation in the innovative programmes of the Grameen Bank in Bangladesh targeted at the rural poor. As you know, this venture encourages self-reliant group cooperation among the assetless poor. IFAD's cooperation with the Grameen Bank has particularly helped the most disadvantaged group among the rural poor - the rural women. It is estimated that over 70% of the borrowers from the Grameen Bank are women, mostly without any assets. While under normal conditions they would have no access to credit, the Grameen Bank has lent money without any collateral and yet the recovery rate exceeds 98%.

Mr. Chairman, we are thankful to IFAD for its valuable participation in the programmes of the Grameen Bank. We are also happy to note that IFAD is trying to replicate this model from our country in other developing countries.

Mr. Chairman, at the outset of my address I noted the contrast between the fairly positive overall trend in technological progress in food production and the relative lack of significant success in reducing the level of pervasive poverty, malnutrition and hunger in developing countries. Our experience in Bangladesh and the experience of several other countries in comparable circumstances point to the crucial importance of expanding productive rural employment if this contrast between the progress in two fronts is to be reduced. In this difficult but indispensable venture the role of IFAD will be of crucial importance in the coming years. This clearly points to the need for an enhanced response from the international community to IFAD's needs. I am confident that if IFAD is proviced with the resources it so badly needs and richly deserves, it will be able to put on the ground powerful demonstrations of the realism and wisdom of its basic approach to the problems of developing countries.

Ladies and Gentlemen, today there is no greater challenge to the human conscience than the sight of people suffering from hunger. As long as the spectre of hunger haunts this earth, there can be no real security which we so badly need, nor can there be peace which we all long for. Therefore, let us extend our cooperation and efforts to banish hunger from this earth. Let us pool all our resources and ingenuity to achieve this end. It will be one of the matchless achievements in the history of mankind if we can reach our goal within the next decade. Let us resolve, therefore, to cooperate with each other to help IFAD realize its objective of saving millions from poverty, malnutrition and hunger.

Thank you.

ADDRESS BY HIS EXCELLENCY DR. KENNETH DAVID KAUNDA, PRESIDENT OF THE REPUBLIC OF ZAMBIA AND CURRENT CHAIRMAN OF THE ORGANIZATION OF AFRICAN UNITY

10 IFAD
ASSISTANT PRESIDENT
PMD

Mr. Chairman of the Governing Council,
Mr. President of IFAD,
Distinguished Members of the Governing Council,
Excellencies,
Ladies and Gentlemen or Sisters and Brothers,

In the first place, I wish to thank you, Mr. President, for your very kind words of welcome extended to me and my entourage. It is indeed a great pleasure for me to have been accorded this opportunity to address this special session of the Governing Council, which coincides with the Tenth Anniversary Celebrations of the International Fund for Agricultural Development (IFAD). On behalf of the people of Zambia and Africa as a whole, and indeed on my own behalf, I wish to thank you once again, Mr. President, for your invitation, which has enabled me to join you on this auspicious occasion.

Mr. Chairman, to some of us IFAD is a special organization close to our hearts. When I say IFAD is close to our hearts, I am not just being polite to you, my hosts, who are doing so much for the poorest of the poor in our one human society. In Zambia, and guided by our philosophy of humanism, which puts Man at the centre in all that we think, say and do, we recognize two lines of evil in our human society. The relevant one to my contribution this morning is fighting poverty and its offshoots of hunger, ignorance, disease, crime, corruption and, above all, exploitation of man by man. Hunger, Mr. President, is truly a product of poverty. To defeat it we really need to tackle poverty in all its manifestations. From your own programme we know this is exactly what you are doing, hence my saying IFAD is a special organization and is indeed very close to our hearts.

When we talk of hunger in the developing countries, we are acknowledging the existence of poverty in these countries. If we should defeat poverty using the right tools, hunger can be wiped out. There is no doubt at all that the natural resources that exist in most developing countries are abundant enough to feed the existing populations of these countries a hundred times over. Mr. President, this is no exaggeration. What then is keeping that hunger not only unending but also seemingly refuelled? Why is there desertification and alarming proportions of soil erosion in Africa and many other developing countries?

Mr. Chairman of the Governing Council of IFAD, Mr. President of IFAD, all Distinguished Members of the Council, Your Excellencies, Ladies and Gentlemen, Sisters and Brothers, there is no doubt in my mind that the people of Africa and indeed other developing countries, who today are poverty-stricken and the main victims of hunger, appreciate greatly the contribution that the developed world is making towards feeding them through donations of food, clothes, etc. But, Mr. President, how wise is the saying which says give a man a bowl of food and he will eat for a day but teach him to grow food and he will eat for a lifetime. This is what is required to be done.

The developing world has, as I have already pointed out, abundant human and natural resources but that part of our one world lacks two other important factors, namely capital and technology. Let me qualify that technology by calling it appropriate technology. Equipped with this it would take only a few years before we could defeat poverty and all its offshoots, including the main one of hunger.

Mr. Chairman, I am aware of the fact that African Governments are usually castigated for allegedly working out wrong policies. This may be so but only to a certain extent and, indeed, it should not be forgotten that the first country to become independent in modern times, apart from Egypt, Ethiopia and Liberia, was Ghana, and that was only a little over 30 years ago. The whole of Africa was in the grip of imperialist and colonialist powers. Colonies, Mr. President, were for exploitation of both human and natural resources. They were not for developing human resources.

Take Zambia as an example. At Independence in 1964 we had only one hundred university graduates and by far the greatest majority of these were in the field of humanities. There were only about two medical doctors and one engineer. We had exactly 1 120 Zambians who had reached the senior secondary school level of education. That was after some seventy years of rule by my British friends. We have had to build primary and secondary schools. Indeed, we have had to build colleges and universities in order to develop the much needed reservoir of educated and trained manpower. But these, Mr. President, need to gain experience.

What I am saying, Mr. Chairman and dear colleagues, is that while we accept our limitations we must not jump to very cruel conclusions without examining both the causes and the effects. IFAD, therefore, must continue to work out programmes that will help us in developing countries get both the capital and the know-how which will help us fight poverty with all its offshoots.

I think this is the platform I would like to use to refer to one method which IFAD might use effectively in this struggle, for struggle it is indeed. I am inviting the developed world to take seriously the joint venture approach. The joint venture approach has many advantages. Some of these are:

(a) they help to build lasting bridges over the gulf of suspicion and fear, which quite often lead to ill will between developing and developed countries;

(b) where these exist, they have shown that our human and natural resources can be developed to the mutual benefit of both the developing and the developed world.

Joint ventures, therefore, can do a lot to build happier human relations between the two sides. They breed more cooperation and not confrontation between the two sides. Surely nothing can be more worthwhile in life than the art of building bridges between the various parts of our one world and one humankind. I believe IFAD has a very key role to play in this programme. Mr.

Chairman, Mr. President, Ladies and Gentlemen, Sisters and Brothers, speaking of the need to invest leads me to the important question of international trade. The lopsided nature of trade in our one world is yet another major factor that keeps Africa and other developing continents poor. When we call for a new economic order we mean just that.

For some time now and indeed, to be specific for Zambia, since 1973, when oil prices rocketed very sharply, we have faced helplessly a situation whereby all our primary commodities have fetched very little in the markets of the developed world, while the goods and services which we must get, and indeed get from the developed countries, have also risen very sharply, very sharply indeed. There is, of course, also the protectionist policies which the developed world has been implementing for some time. As if all these were not enough, we have suffered long drawn-out droughts and at times heavy floods, which equally are destructive.

Even with this background, donor countries and organizations have continued to demand that we pay them what we owe them, and that on time. So it is against this background that most of us have worked out restructuring policies. Because of what we owe other people and because of the demands that we should pay on time, these restructuring programmes, Mr. Chairman, have not taken into account social problems. The result has been social and political unrest in most of our developing countries.

Lest I should be misunderstood, the developing countries are aware that there is a lot of re-thinking on these matters in a number of capitals of developed countries. Indeed, a handful of countries have acted on this question of debt relief and we are immensely grateful to them. Our prayer is that donor countries and organizations that have not yet found their way to easing this debt burden will work out measures sooner rather than later. There is grinding poverty leading to frightening famine. Food donations are most welcome but they can also lead to delays in the peasant working to feed himself. Where food donations are not part and parcel of a programme to make the peasant self-reliant in food production, they have been a handicap rather than a help. We need to reach the right balance between food aid and aid for self-reliance.

My dear Sisters and Brothers, it would not be morally right to discuss IFAD programmes without reference to the confrontation that exists between East and West in the same way as I have discussed possible solutions to the confrontation that exists between North and South. Here again, we need to build bridges across the chasm of doubt and suspicion leading to hatred and possible conflict between NATO and Warsaw Pact powers. Every person involved in one way or another in public life knows today that no one would win or lose a nuclear war. If that happened it would spell the end of the human race and of civilisation as we know it today.

It is with this in mind that we in Zambia, Mr. Chairman, and indeed Africa as a whole, very much welcome the dialogue that has developed between President Ronald Reagan and General Secretary Gorbachev. Fortunately this dialogue has led to something concrete in the form of the Intermediate Nuclear Force (INF) Treaty. We hope and pray that this breakthrough will lead to many other agreements, for we not only need these agreements to make our world safer but we also need these agreements to make our world happier. We need to defeat poverty and its offshoots to which I have referred already, but we also need to enjoy all the major freedoms spelt out in the United Nations Charter.

Mr. Chairman, Mr. President, dear Sisters and Brothers, those hundreds of billions of dollars, yes, those hundreds of billions of roubles now being wasted by spending them on nuclear weapons, would certainly help mankind to invest in the development of man, IFAD included, so that he reaches a stage where he can build human relations based on loving thy neighbour as thou lovest thyself and doing unto others as you would have them do unto you. Mr. President, we cannot work towards this goal in an atmosphere polluted by nuclear weapons. I know it is argued that the Soviet Union has superior conventional forces over the West, but I believe myself, having met General Secretary Gorbachev, that when he offers the West peace, genuine peace, in freedom, he means that. The West should not doubt him before they try him in earnestness. This for everybody is a matter of life and death. The West has a *duty to itself as well as to mankind not to fail to receive General Secretary Gorbachev's hand of friendship.*

Mr. Chairman, IFAD is a freedom-fighting movement, fighting poverty and all its offshoots of hunger, ignorance, disease, crime and, above all, exploitation of man by man. I cannot, Mr. Chairman, Mr. President, Ladies and Gentlemen, end my address without referring to the fact that IFAD is a multilateral development finance institution which addresses mostly the problem of the smallholders, the landless, artisans, fishermen and the poor generally, and that it is an institution which is based on the recognition of the mutually reinforcing effect of poverty alleviation and the development of food.

From what I have said, we in Africa appreciate greatly what IFAD stands for, but there is one area, Mr. President, on the continent of Africa, where your worthy efforts would not be effective. I am referring, of course, to South Africa and Namibia in particular, and the entire Southern African region as a whole. There the abominable system of apartheid, which is an affront to the whole international community, day in and day out, is doing everything possible to make the poor poorer. This a deliberate and a conscious decision on the part of the white racist regime to dehumanise the black people. Today, Mr. Chairman, Mr. President, dear colleagues, Ladies and Gentlemen, thousands of innocent men, women and children in Angola and Mozambique, through the bandits of UNITA and MNR respectively, the surrogates of South Africa, are dead or are being maimed. Indeed, thousands more are homeless. They are refugees. Their property has been destroyed. South Africa organizes these bandits. South Africa equips them. South Africa sends them to kill their fellow men. Indeed, thousands of South African racist troops are now in Southern Angola attacking and killing Angolans. In Botswana, Zambia and Zimbabwe bombs planted by racist agents continue to explode in our respective towns as well as rural areas. Mr. President, within South Africa itself thousands of black people have died, victims of racist violence, ever since the racists took over the reins of power. In Namibia also, hundreds of people are dying, more maimed and yet others are uprooted from their homes.

Once again, we call upon the international community to apply comprehensive mandatory sanctions. It is the only course left to bring sense to the ruling clique of racists in Pretoria. Those who oppose sanctions should not use the black man as their reason for not applying those sanctions. We know what the real reasons are. They are more worried about what will happen to their heavy investments. Surely if the human sufferings of the black people in that region cannot move them into action, then at least let the fear of an explosion which will destroy their investments move them into some action.

Mr. President, IFAD, in its ten years of existence, has financed 220 innovative projects in 89 countries of the developing world with adequate results. Its programmes have involved a commitment of over US$ 2.3 billion with a further nearly US$ 8 billion in support financing. IFAD's programmes have also not been restricted to one region, but spread to areas in Asia the Middle East, Africa and Latin America. Indeed, it is heartening to learn that all the valuations carried out by independent studies have lauded IFAD's successes and effectiveness in dealing with peasants, the landless and the poor.

I therefore take this opportunity to commend and congratulate the President of IFAD and his staff for their valuable contribution towards the eradication of rural poverty and its offshoots and for the success of their programmes. For these reasons, we hope and pray that IFAD will continue to be supported.

Mr. Chairman, may I also congratulate IFAD for their its initiative in launching the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. I am happy to learn that over two-thirds, in fact now I am told it stands at US$ 292 million for this Special Programme, have already been pledged, just US$ 8 million short of the US$ 300 million mark required. I have also noted with satisfaction and gratitude that out of the 23 targetted beneficiaries, 11 countries, including my own country, are already benefitting from this Special Programme.

I take this opportunity to thank all those countries that have contributed to the IFAD Special Programme. In line with the Resolution passed at the recent Summit of the Organization of African Unity, may I appeal to the international community, especially those industrialised countries which have not yet pledged their contributions to the Special Programme, to do so now. Let us hope that, at the end of this Governing Council, the countries concerned will announce the good news of their pledges so that the targetted figure of US$ 300 million dollars will be attained.

Mr. Chairman, the task facing mankind in alleviating poverty and all its offshoots among the poor rural communities, is an enormous one. It calls for concerted action through integrated programmes involving training, credit, rural development, extension, supply and marketing services. IFAD, through its noble strategy of growth from grassroots upwards and involvement of peasants themselves, is making a valuable contribution. However, the task before us must be tackled with the greatest haste and cooperation among the nations of the world, always bearing in mind that the attainable improvement in rural standards of living that we seek are not merely the result of a direct transfer of technology from developed to developing countries. The differing socio-economic conditions, especially the sharp constraints in resource endowment and qualities as well as in the support services and constraints which affect the efficient utilisation of these resources, require that whatever innovation is to be introduced in any developing country must be adapted to its particular set of conditions as a prerequisite for its acceptance and success.

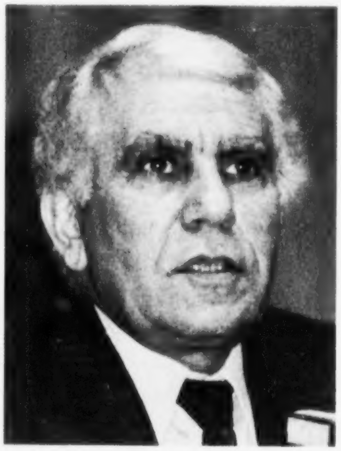
Mr. Chairman, Mr. President, Distinguished Guests, Ladies and Gentlemen, dear Sisters and Brothers, the world has resources that should lead us to victory in this crusade against poverty and its offshoots of hunger, ignorance, disease, crime, corruption and, above all, exploitation of man by man. Let us add to them our collective will and resolve and we shall then be truly worthy of having been created in God's own image.

Mr. Chairman, Mr. President, I cannot thank you sufficiently for inviting me to come and participate in this very important programme.

Thank you.

President Dr. Kenneth Kaunda of Zambia, Current Chairman of the Organization of African Unity, converses with IFAD President Jazairy before delivering his address to IFAD's Governing Council.

SPECIAL MESSAGES FROM HEADS OF STATE AND HEADS OF GOVERNMENT RECEIVED ON THE OCCASION OF THE TENTH ANNIVERSARY CELEBRATIONS OF IFAD



"On the occasion of the celebration of IFAD's Tenth Anniversary, I wish to stress once again the attachment of Algeria, a Founder Member, to the noble mission of this institution, which is a living symbol of both South-South and North-South cooperation. Algeria congratulates IFAD on the remarkable work it has done on behalf of small farmers during the first decade of its activity in the developing countries, particularly in Africa. As the Fund has succeeded in providing, at the lowest possible cost, solutions to the problem of hunger in the world, which are as durable as they are innovative, based on the essential element of effective participation by the beneficiaries, I have no doubt that, with the unfailing support of the international community, the Fund will continue and extend, in the coming decade, its beneficent promotion of the rural zones and the food security of the Third World."

His Excellency **Chadli Bendjedid,**
President of the People's Democratic Republic of Algeria

"*IFAD President Idriss Jazairy*

On the occasion of the Tenth Anniversary of the International Fund for Agricultural Development, I send you my congratulations for the work done and wish you every success in the future.

The close and friendly links between IFAD and Belgium bear witness to our appreciation of the effectiveness of the Fund's action on behalf of the poorest farmers in developing countries."

His Majesty **Baudouin,**
King of the Belgians

"Mr. Idriss Jazairy
President of IFAD
Rome

While praising IFAD's transcendental cooperation with Bolivia, I have the honour of writing to you to convey the most sincere and grateful congratulations of His Excellency, the Constitutional President of the Republic of Bolivia, Dr. Victor Paz Estenssoro, on the occasion of the celebrations for the Tenth Anniversary of the International Fund for Agricultural Development, an institution so successfully and worthily presided over by your authority.

Julio Pantoja
Ambassador of Bolivia"

His Excellency **Dr. Victor Paz Estenssoro,**
The Constitutional President
of the Republic of Bolivia

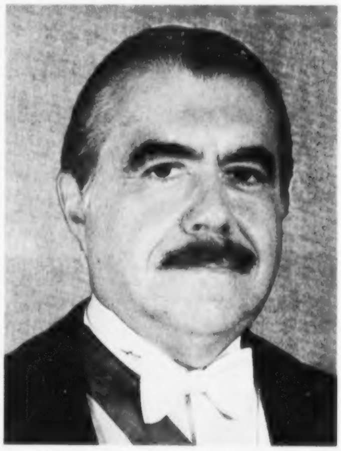
"Mr. President,

Please accept my congratulations on the occasion of the Tenth Anniversary of the International Fund for Agricultural Development.

Brazil attaches great importance to its participation in IFAD due to the priority that agriculture occupies in our concerns and to the fact that the Fund, within the United Nations system, singles itself out as the organ whose action most closely regards the developing world.

It was for my Government a reason for satisfaction that IFAD has chosen our capital city of Brasilia as the venue of one of the initiatives celebrating its tenth year jubilee, the Seminar "financing strategies for fighting rural poverty".

With our sincere wishes for IFAD's continued successful mission."



His Excellency **José Sarney,**
President of the Federative Republic of Brazil

"Mr. President,

It is a real pleasure for me to send you my warmest congratulations on IFAD's Tenth Anniversary, which coincides with the Eleventh Session of the Governing Council to be held in Rome from 25 to 29 January 1988.

On this occasion, I wish to stress my appreciation of the leading role your organization plays in improving the living conditions of our populations in rural zones.

I send my best wishes to you and for an ever more fruitful cooperation between IFAD and the Republic of Cameroon.

Accept, Mr. President, the assurances of my highest consideration."

His Excellency **Paul Biya,**
President of the Republic of Cameroon

"Mr. Chairman,

On the occasion of the 10th Anniversary of the founding of the International Fund for Agricultural Development and of the convening of the 11th Session of its Governing Council, I would like to express my warm congratulations to IFAD and its Governing Council on behalf of the Chinese Government and people.

Since its founding 10 years ago, IFAD has played a very positive role in supporting, on concessional terms, the agricultural development and in eliminating poverty and malnutrition of the developing countries. Meanwhile, it has also contributed towards promoting the South-North and South-South cooperation in the field of agriculture. The Chinese Government is satisfied with and appreciates its fruitful cooperation with IFAD in the agricultural sector.

I wish that positive steps will be taken by the 11th Session of the Governing Council, so as to enable IFAD to contribute more vigorously to the enhancement of the agricultural production in the developing countries and to the international cooperation in agriculture on the basis of adhering to its established objectives and governing structure."

His Excellency **Li Peng,**
Acting Premier of the State Council
of the People's Republic of China

"His Excellency Mr. Idriss Jazairy
President, IFAD, Rome

It gives me great satisfaction to write to you on the occasion of the Tenth Anniversary of the International Fund for Agricultural Development, which was established in 1977 as a result of the international community's efforts to address the problems of food production, hunger, malnutrition, and rural poverty in the developing world.

Ten years have passed since then and, far from improving, the situation of the world economy - and of the developing countries in particular - has deteriorated. The main pronouncement of the World Food Conference in 1974, which called upon all Governments to accept as the objective of the whole international community the elimination of the scourge of hunger and malnutrition which afflicts millions of people and also to accept the goal that "within a decade no child will go to bed hungry, that no family will fear for its next day's bread and that no human being's future and capacity will be threatened by malnutrition", has not been fulfilled.

Today, the world is going through one of its major food crises, as a result of the existing unjust international economic relations, which implicitly lead to economic recession, inflation, increasing unemployment, unequal trade, high interest rates, and the growing external indebtedness of the under-developed countries, which, far from renewing themselves and changing for the better, have continued to deteriorate to unbearable levels.

This Anniversary should be an occasion for reflection by all the countries of the world, who should unite their efforts to achieve peace and development. Peace is not only endangered by the existence of potential nuclei of war, originating in the struggle for national liberation, in the challenge to imperialism and in the latter's claim to maintain and extend its dominion. There is a much greater, more serious and more intense danger for peace, which arises from the situation of inequality, poverty and backwardness that prevails today in a large part of our planet and which affects, to a greater or lesser extent, more than two thousand million human beings.

Development is an imperative necessity and a goal for the whole of Mankind. Its realisation benefits all of us and its postponement threatens us all.

IFAD has the responsibility of addressing this most pressing of the underdeveloped world's problems. I consider that during the past ten years the Fund has made an inestimable contribution to the fight against the hunger and malnutrition that afflicts our people. It should therefore continue to apply the policies which inspired its creation, as any change that tends to convert it into a traditional financial institution, far from benefitting our countries, would run counter to the principles for which the majority of Mankind is fighting. I cherish the hope that this Anniversary of IFAD will help conscientious people, just criteria and well-meditated, intelligent and sound decisions to prevail, so that all nations and peoples and present and future generations may live in peace, security and justice.

I wish to express, Mr. President, my great estimation and recognition of the work that is being done by the Fund for the furtherance of its guiding objectives. I share your concern and support your appeals for effective international cooperation."

His Excellency **Fidel Castro Ruz,**
President of the Council of State
and the Council of Ministers of the Republic of Cuba

"H.E. Idriss Jazairy
President
International Fund for Agricultural Development
Rome

On behalf of the Government and the People of the People's Democratic Republic of Ethiopia and on my own behalf, it gives me great pleasure to extend to you and, through you, to the entire staff of the Secretariat of the International Fund for Agricultural Development heartfelt congratulations on the occasion of the Tenth Anniversary of the Fund.

The major contribution that the Fund has been making towards assisting developing countries overcome difficulties they have encountered in their agricultural sectors has undoubtedly made the Fund a reliable partner in their efforts to attain self-sufficiency in food production. I ought also to add that the great attention that the Fund has been especially giving to the difficult situation faced by African countries, including Ethiopia, as illustrated by the Fund's Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, is indeed a source of great satisfaction for us all.

It is, therefore, with a profound appreciation of the good works being carried out by the Fund in the spirit of true multilateralism, to which the People's Democratic Republic of Ethiopia attaches great importance, that I would like to take this opportunity to renew our commitment to promoting even greater cooperation between the PDRE and the Fund.

Please accept, Mr. President, the assurances of my highest consideration."

His Excellency **Mengistu Haile Mariam,**
General Secretary of the Central Committee of the Workers' Party,
President of the People's Democratic Republic of Ethiopia
and Commander-in-Chief of the Revolutionary Armed Forces

"At the time when your institution is celebrating its Tenth Anniversary, I wish to salute the action it is so effectively and tenaciously taking on behalf of development.

Is there any mission more important or more difficult than that of the International Fund for Agricultural Development?

The scourges you are fighting go by the name of desertification, malnutrition, in many cases famine or death.

You work tirelessly to repel them with all possible means - training and research, diversification of agricultural production, improved organization of product outlets - striving above all to come to the aid of the populations of the poorest countries.

My country, which is proud to be associated with the work you are doing under the guidance of your President, Mr. Idriss Jazairy, will continue to spare no effort for the concrete strengthening of international solidarity, notably in the agricultural sphere that is yours, to the benefit of the just cause of development.

Accept my best wishes for success."

His Excellency **Francois Mitterrand**
President of the French Republic

"On the occasion of the Tenth Anniversary of the International Fund for Agricultural Development and in the name of the Government of France, I send my congratulations to the President of the Fund, his administrators and his staff on the remarkable work accomplished during these ten years, in cooperation with all the Member Countries.

Born of an original idea, IFAD is an example of a new form of international cooperation. It is universally considered to be one of the most dynamic international institutions. It does much appreciated work in the struggle against hunger, malnutrition and poverty. It has rightly oriented its action towards those who have most need of it: the poorest of the rural poor.

In recognizing the key role of the small farmers in Third World countries, IFAD has striven to give them the means to free themselves of their dependence, in an environment that is often harsh, and to enable them to build their destiny themselves.

France hails this action and wishes to renew its attachment to the original principles of cooperation and management on which IFAD is based. All together we must implement the programmes under way, in the most effective manner, continuing this task and strengthening the action embarked upon.

At a time when needs are becoming more pressing, France pledges herself with confidence, alongside her partners in the three member country categories, to support the International Fund for Agricultural Development fully and without reserve, as she has always done."

His Excellency **Jacques Chirac**
Prime Minister of the French Republic

"The International Fund for Agricultural Development has effectively demonstrated the capacity of the international community to join hands in the universal battle against poverty, hunger and unemployment. Its uniquely participative character has enabled it to evolve a distinctive ethos, and an innovative approach to the problems of the developing world. On the occasion of its 10th Anniversary celebrations, the Fund can look back with considerable satisfaction on its efforts to assist the poor and the disadvantaged.

We, in India, are proud to have been closely associated with the Fund, since its inception. We would continue to be strongly supportive of the objectives of the Institution, and its efforts to assist the developing countries. I am confident that with the continued support of the community of nations and given its own commitment to the cause of the poor, IFAD would rise to even greater heights in its response to the challenges during its second decade of service."

His Excellency **Shri Rajiv Gandhi,**
Prime Minister of the Republic of India

"Dr. Idriss Jazairy
President, International Fund for Agricultural Development (IFAD)

On behalf of the People of Kenya and on my own behalf, we join the international community in offering our warm congratulations on the occasion of the 10th Anniversary of the International Fund for Agricultural Development that will be observed on 26th - 29th January 1988, in Rome.

The People and the Government of the Republic of Kenya pledge to support all development projects that are undertaken by the International Fund for Agricultural Development world wide.

We value the four projects that your Institution supports in Kenya and hope to cooperate in more projects.

Please convey my best wishes to all participants of the current session of IFAD."

His Excellency **Daniel Arap Moi, C.G.H., M.P.,**
President and Commander-in-Chief
of the Republic of Kenya

"His Excellency Idriss Jazairy
President of the International Fund for Agricultural Development
Rome

On the occasion of the Tenth Anniversary of the Institution over which Your Excellency most worthily presides, please accept the most cordial congratulations from myself and my Government.

I take this opportunity of praising the role IFAD has played in supporting the developing countries, as was so clearly shown in the choice of the theme "Investment Strategies to Combat Rural Poverty" for the international panel held in Brasilia.

The importance of this role takes on special relevance due to the fact that IFAD is the only UN agency to support the developing countries in their fight against hunger, malnutrition and desertification.

I therefore wish to convey to your Excellency and to all your colleagues my greetings and hopes that you may continue to keep very high the noble aims of IFAD.

Highest consideration."

His Excellency **Joaquim Alberto Chissano,**
President of the People's Republic of Mozambique

"Mr. President,

On behalf of The Netherlands Government I should like to congratulate the International Fund for Agricultural Development on the completion of its first ten years of operations.

During this decade the Fund has developed its own distinct approach to alleviate the social and economic backward situation of small farmers and rural poor throughout the world.

The Fund has gained general recognition and high acclaim for its activities.

The dedication and professionalism of the Organization have been overriding factors in this regard.

Its second decade of operation starts under very difficult financial conditions. Negotiations with regard to the Third Replenishment are about to start and will have a direct bearing on its future level of operations.

I should like to call on all Members of IFAD, who have made the Fund such a successful and efficient organization, to carry their responsibility toward the rural poor and make the coming negotiations a success."

His Excellency **R.F.M. Lubbers,**
Prime Minister of the Kingdom of The Netherlands

"Mr. Chairman of the Governing Council,
Mr. President of IFAD,
Distinguished Governors, Ladies and Gentlemen,

This Session of our Institution gives me the fortunate opportunity of sending you, in my own name and in the name of the Government and People of The Niger, our sincere wishes for peace, success and progress for yourselves and for the whole international community in the course of the New Year.

We also formulate our best wishes for our Institution which, though only ten years old, has succeeded in creating a special place for itself among the international organizations, thereby commanding the respect and admiration of all.

Known today throughout the world, particularly in the countries faced with food problems, IFAD is becoming more firmly established every year as a much sought after partner in helping the most impoverished farmers and rural populations.

Having intervened in this capacity in 89 countries by financing 209 projects in such a short time is undoubtedly a very significant result.

Mr. President of IFAD, this success of our Institution is not unrelated to your appointment in 1984.

You have, in fact, since your accession to this post, worked discretely but very efficiently to orientate IFAD's projects towards the poorest and most precariously-situated farmers, placing Africa in the front rank of your priorities.

It is also thanks to your personal action that the Second Replenishment of the Fund's Resources was possible and lastly it was under your impulse that in 1986 IFAD created a Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

My country, a beneficiary of this Special Programme, highly appreciates this, Mr. President, and congratulates you on it.

Mr. Chairman of the Governing Council, Distinguished Governors, Ladies and Gentlemen,

The instrument of development which IFAD represents for a good number of your countries today deserves that we should give it all our support and all our confidence.

That is why we are launching an appeal to the rich countries to increase their contributions to IFAD, while leaving it the necessary autonomy for the choice of the programmes to finance.

For its part, my country, while hoping for increased assistance from the international community, is already engaged in a development process essentially based on its own efforts.

Thus our brave populations, through the structures of the society of development, are buckling down to implement projects conceived and executed with their participation at every stage.

This approach of our action is spelt out in full in our Economic and Social Development Plan for 1987-91. It also underlines the implementation of the IFAD/Niger Special Programme for which we signed the agreements on 13 January last.

This, Mr. Chairman of the Governing Council, Mr. President of IFAD, Distinguished Governors, Ladies and Gentlemen, expresses all the convergence of philosophy and of action between Niger and IFAD.

May this convergence develop even more for the greatest good of our populations.

I thank you and I wish you complete success in your work."

His Excellency **Colonel Ali Saibou**
President of the Supreme Military Council,
Head of State of the Republic of The Niger

"The President
of IFAD

On the occasion of the Tenth Anniversary of the International Fund for Agricultural Development (IFAD) now being celebrated by this session of the 11th Governing Council of IFAD and in which my country is fully participating, I have the honour to send you and the Fund the congratulations and the best wishes of the People and the Government of the Federal Republic of Nigeria.

Nigeria attaches great importance to the work of IFAD especially in its efforts to increase food production, incomes and improve living standards in the rural areas of the developing world. It is very commendable to note that, in its short history, IFAD has financed 184 projects in 87 developing countries, establishing a track record of projects that help the rural poor to help themselves. My Government, as a founding Member of IFAD and also as one of the contributors to the Fund, shares and fully supports these noble aims and objectives of IFAD, especially those projects which encourage grass-roots development and support for small farmers.

We are committed in Nigeria to producing enough food staples locally to feed our population and to raise the standard of nutrition. It is also our aim to ensure that the rural population will have opportunity of increasing their incomes from agriculture and other activities, and thus help to arrest rural to urban migration. Sizeable resources have been committed for the provision of rural infrastructures and the mobilization of the rural population for self development. The results so far have been encouraging.

I wish you and the Fund many more years of service to humanity and reaffirm Nigeria's full support for IFAD.

Accept, Mr. President, our best wishes, for the Fund and for you personally."

His Excellency General **Ibrahim B. Babangida,**
President,
Commander-in-Chief of the Armed Forces,
Federal Republic of Nigeria

"Pakistan joins the international community in celebrating the Tenth Anniversary of the International Fund for Agricultural Development (IFAD). On behalf of the Government and the people of Pakistan, and on my own behalf, I extend my heartiest felicitations on this auspicious occasion.

It is a matter of great satisfaction that, since becoming operational, IFAD has committed SDR 2.17 billion for 180 projects in 89 countries of the world. The role played by IFAD in combatting the spectre of hunger and improving the lot of the small farmer, the landless and the rural poor in developing countries of the world is doubtless outstanding.

I had the pleasure of visiting IFAD six years ago, in 1982, and addressing its Fifth Governing Council. I am pleased to note that, since then, IFAD has more than doubled the number of projects it has undertaken, leading to a corresponding increase in the volume of loans and grants it has provided. It also now serves many more developing countries than before.

We are greatly indebted to the Organization of Petroleum Exporting Countries (OPEC) and the Organization for Economic Cooperation and Development (OECD) for their continuing financial support to IFAD. Members of both these organizations have played an important part in the creation of this important organization, and in the replenishment of its resources for the fulfillment of its noble charter.

The Tenth Anniversary of IFAD is a fit occasion to reaffirm our faith in the organization that has established its credibility as an effective agency of the United Nations System. I would, therefore, like to underline the urgent need, by all Member Countries, to extend unflinching support to IFAD to enable it to play its major role in tackling the problem of rural poverty. I wish also to take this opportunity to stress that, in view of its excellent track record and the paramount need to place its future financing on a firm and predictable basis, all Member Countries should make a concerted effort to finalise the Third Replenishment of IFAD's Resources on an adequate and timely basis.

We, in Pakistan, wish IFAD still greater success in fulfilling its unique mandate and, once again, pledge our fullest support to it."

His Excellency General **Mohammad Zia-Ul-Haq,**
President of the Islamic Republic of Pakistan

"Mr. Idriss Jazairy
President
International Fund for Agricultural Development (IFAD)
Rome

On the occasion of the Tenth Anniversary of the establishment of the International Fund for Agricultural Development (IFAD), I am pleased to send you the fraternal greetings and congratulations of the Government and People of Peru, thanking you warmly for the substantial support given to Peruvian agricultural development projects undertaken to overcome poverty and malnutrition in the neediest sectors of the population. I send my best wishes that IFAD may continue to make an efficient and valid contribution to the eradication of hunger and underdevelopment in the world."

His Excellency **Alan García Pérez,**
Constitutional President of the Republic of Peru"

"His Excellency Mr. Idriss Jazairy
President of the International Fund for Agricultural Development,

On the occasion of the celebration of IFAD's Tenth Anniversary at the annual meeting of the Fund, it is my pleasure to express our appreciation for the pioneering role the Fund is playing in the service of modern agricultural development. This role is, undoubtedly one of the important factors leading to the evolution and modernization of development in the achievement of noble humanitarian objectives.

Recognizing IFAD's eminent objectives, the Kingdom of Saudi Arabia is happy to have participated in the establishment of the Fund and to have provided it with its utmost support.

We would therefore like to express our thanks to you and to those who, with you, are in charge of the Fund, for your effective efforts and remarkable activity. May God the Almighty accord every success to your meeting and to IFAD's endeavours."

His Majesty **Fahad Bin Abdulaziz Al-Saud,**
King of Saudi Arabia

"Mr. President,

At this time when the International Fund for Agricultural Development (IFAD) is celebrating its Tenth Anniversary, I feel real joy in sending you my heartiest congratulations. My joy is even greater because the event you are celebrating coincides with a greater awareness in the world of the importance of the purposes of our institution. As regards Africa, you will remember that, in my capacity as Current Chairman of the Organization of African Unity (OAU), I took the opportunity of the Ninth Governing Council to express to you on 21 January 1986 our great appreciation of IFAD's efforts to promote rural development in general and to increase agricultural production in particular. This feeling was founded on the wisdom, as we see it, of the Fund's policy of helping small farmers, who are the protagonists of our economies, to play the leading role that is rightfully theirs. The choice seemed to us to be the best way of addressing, in countries like ours, the problems of food scarcity, malnutrition and famine, which are among the most urgent challenges with which we are faced. For us Senegalese, the relevance of this policy remains intact. Your determination and your spirit of initiative in fulfilling your mandate have greatly helped to translate IFAD's actions even more effectively into concrete projects and to make the Fund become a precious instrument at the service of international cooperation for development. They plead in favour of increasing the resources of the Fund, of which, as you know, I am an ardent supporter. Among the achievements of our institution, I take pleasure in paying tribute here to the generous idea of creating the Special Programme for Sub-Saharan Africa. The fact that this programme of aid to the countries hit by drought and desertification lays emphasis on traditional food crops is yet another demonstration that the Fund remains true to its policy, sustained by a fine spirit of solidarity. We hope that the latter will be maintained and broadened through the celebration of the Tenth Anniversary, so that it may stimulate, with the same intensity and the same constancy, the action of an ever greater number of institutions of the same kind. In renewing my congratulations, I wish to assure you once again of Senegal's support in the pursuit of your noble mission."

His Excellency **Abdou Diouf,**
President of the Republic of Senegal

"Chairman of Board of Governors,
President of the International Fund for Agricultural Development,
Governors,

May peace and divine mercy be upon you all.

I am honoured to take this opportunity on behalf of the Government and People of Sudan to congratulate you on the 10th Anniversary of the Fund.

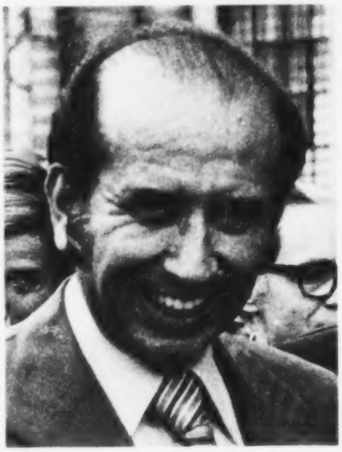
This International Fund has carried out its vocation of service to humanity throughout 10 years, overstepping obstacles of paramount dimensions to deliver opulent services to the poorest of the poor in the very fragile socio-economic and ecological structures. In fact its unique programme of development made it a very effective tool producing a positive impact and creating initiatives among the recipients, giving them hope and dignity. I must congratulate you also for the Special Programme for Africa which clearly demonstrates the good flexibility of the Fund coping with situations such as the one we have now in our continent where man and beast are at jeopardy.

This work would never have been possible without the full understanding and support of the donor community. We request of them to continue their full support to the Fund and the Special Programme for Africa.

This human edifice would have never been successful without the work of the able leadership of President Jazairy and his colleagues, the militant fighters for progress.

We congratulate them and give our full support to keep up the good work."

His Excellency **Sayed Al Sadig Al Mahdi,**
Prime Minister of the Republic of The Sudan



"*His Excellency Idriss Jazairy*
President, IFAD
Rome
Italy

I deeply regret that last-minute, unforeseen and unavoidable engagements in my country prevent me from being with you at the celebrations of the Tenth Anniversary of the International Fund for Agricultural Development (IFAD).

My commitment to IFAD's future action will not be less than that which motivated us to stimulate the solid support of OPEC which ten years ago made the Fund's establishment possible. That event bore witness to the concrete determination of solidarity that commits our developing countries and the joint will for action that we succeeded in awakening in the industrialized nations that supported its creation.

IFAD is without any doubt an exceptional institution which marks the path of creative and mutually supportive international cooperation such as our troubled world demands, and evident demonstration for the developing world when authentic cooperation without conditioning is offered to the Third World peoples.

The concurrence between developed and developing countries, in the institutional achievement of a cooperative approach, has produced over the years important results for many of the countries that have obtained IFAD's support. If its action has not matched the fullness of its aims, the Fund's contribution has attenuated the ramifications of the international crisis on Third World countries.

IFAD's ten years have not disappointed the expectations we had when it was established. If the cooperation of the rich countries becomes more appropriate and increases, the Fund's bold and effective policies of credit to the rural poor would have much greater results and they would become an important model for other international financial institutions. The positive response of the beneficiaries of the Fund's credits is evidence of the great reserves of action that our countries have when they become authentic partners in the development process.

The great challenge for action in the rural environment is the implementation of sound food and agriculture policies which link the increase in the supply of rural products with the growth of the purchasing power and nutritional needs of the population; are based as far as possible on domestically produced inputs avoiding the creation of new forms of dependence on imported technologies; really make economic and social life in rural areas more democratic; and have an ecological foundation that gives them long-term support.

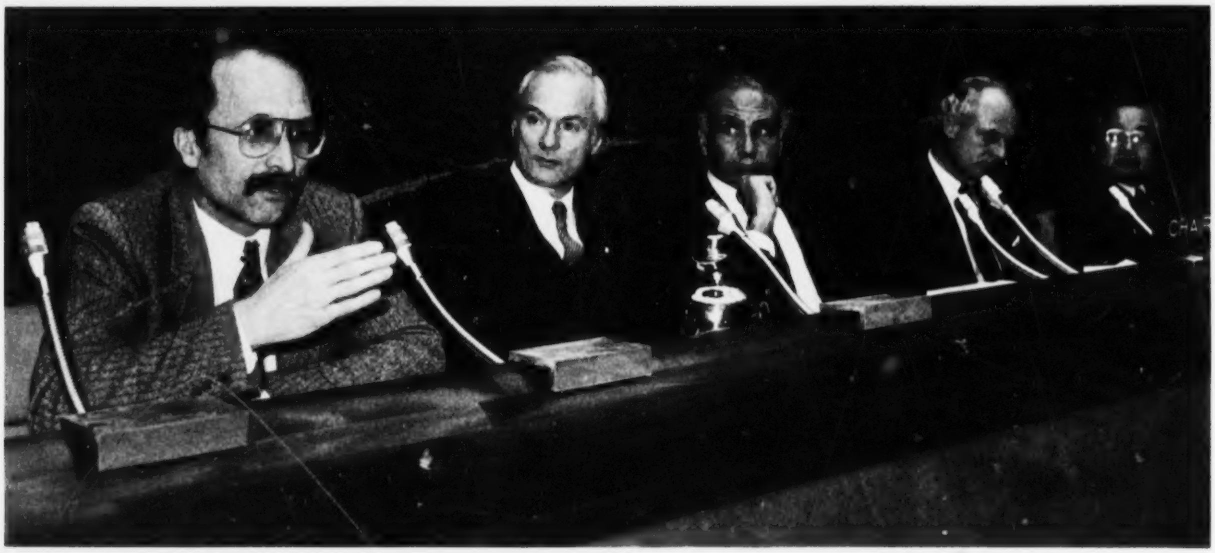
IFAD is showing how international action can support the application of these policies in a bold and effective form. My warmest congratulations on such a satisfactory Tenth Anniversary and my best wishes for the strengthening of your action. Count on my complete solidarity."

His Excellency **Carlos Andrés Pérez,**
Former President of the Republic of Venezuela

HIGHLIGHTS OF TENTH ANNIVERSARY CELEBRATIONS

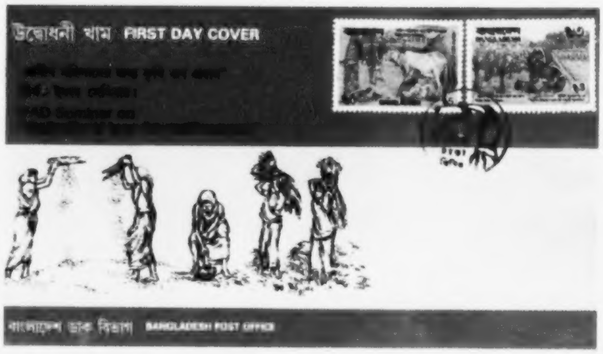
President José Sarney of Brazil, Governor of Brasilia José Aparecido, and architect of Brasilia Oscar Niemeyer greet IFAD President Idriss Jazairy at a reception for the participants in the International Panel on Investment Strategies to Combat Rural Poverty. The seminar was held in Brasilia in December 1987.

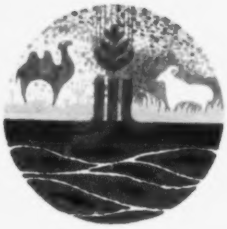
Deputy Secretary of State John Whitehead presents IFAD President Idriss Jazairy with a framed letter from US President Ronald Reagan. The presentation took place on the occasion of the 27th Annual UN Concert and Dinner, offered by the United Nations Association of the United States of America on 31 October 1987 as a salute to IFAD.

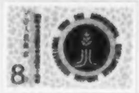


Peter Kramer, Director of Conservation of the World-Wide Fund for Nature International, addresses a seminar on development and ecology, held jointly with IFAD during the 11th Governing Council session.

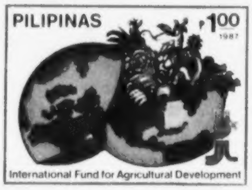
Farmers participate in a workshop held in Nepal in October 1987 to increase farmers' involvement in agricultural development projects and establish and strengthen their organizations. The workshop was organized by IFAD in collaboration with the International Federation of Agricultural Producers.

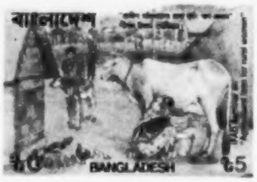

উদ্বোধনী খাম FIRST DAY COVER
বাংলাদেশ ডাক বিভাগ BANGLADESH POST OFFICE





Stamps, first-day covers and a slogan cancellation
commemorating IFAD's Tenth Anniversary.
Eight countries have issued stamps to mark the occasion
and ten others plan to do so in 1988.
Six stamps have been issued by the United Nations -
two in New York, two in Geneva and two in Vienna.


PILIPINAS
P1.00
1987
International Fund for Agricultural Development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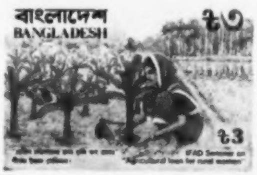
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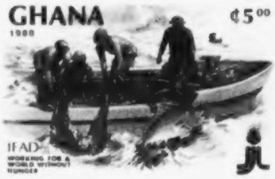
GHANA
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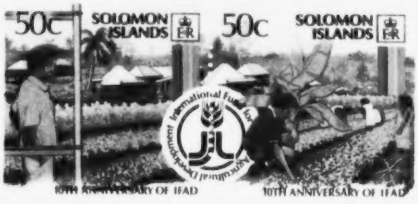
1988
IFAD
WORKING FOR A WORLD WITHOUT HUNGER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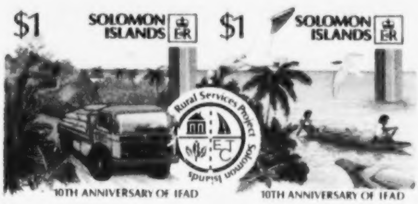
International Fund for Agricultural Development
10TH ANNIVERSARY OF IFAD
10TH ANNIVERSARY OF IFAD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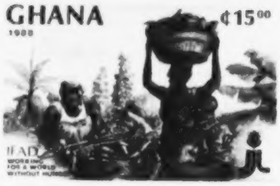
10TH ANNIVERSARY OF IFAD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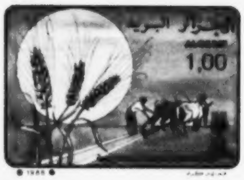
WORKING FOR A WORLD WITHOUT HUNGER


الجزائر
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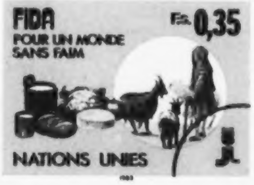
FIDA
POUR UN MONDE SANS FAIM
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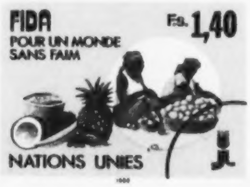
NATIONS UNIES
1988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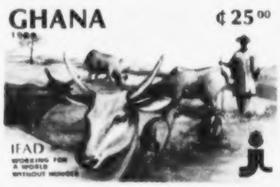
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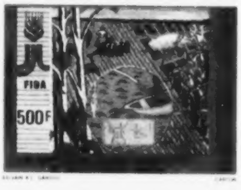
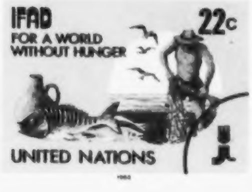
WORKING FOR A WORLD WITHOUT HUNGER

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FOR A WORLD WITHOUT HUNGER
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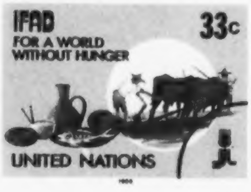
UNITED NATIONS
1988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UNITED NATIONS
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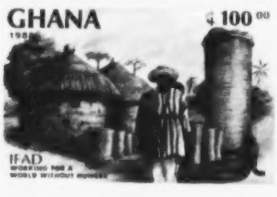
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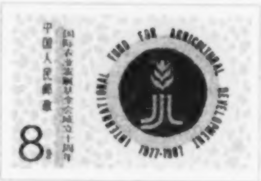
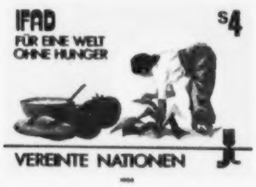
WORKING FOR A WORLD WITHOUT HUNGER


中国人民邮政
8分
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
1977-1987


IFAD
FÜR EINE WELT OHNE HUNGER
S4
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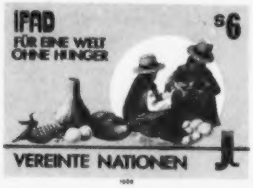
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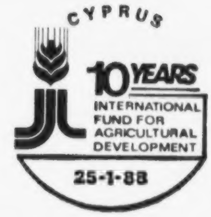
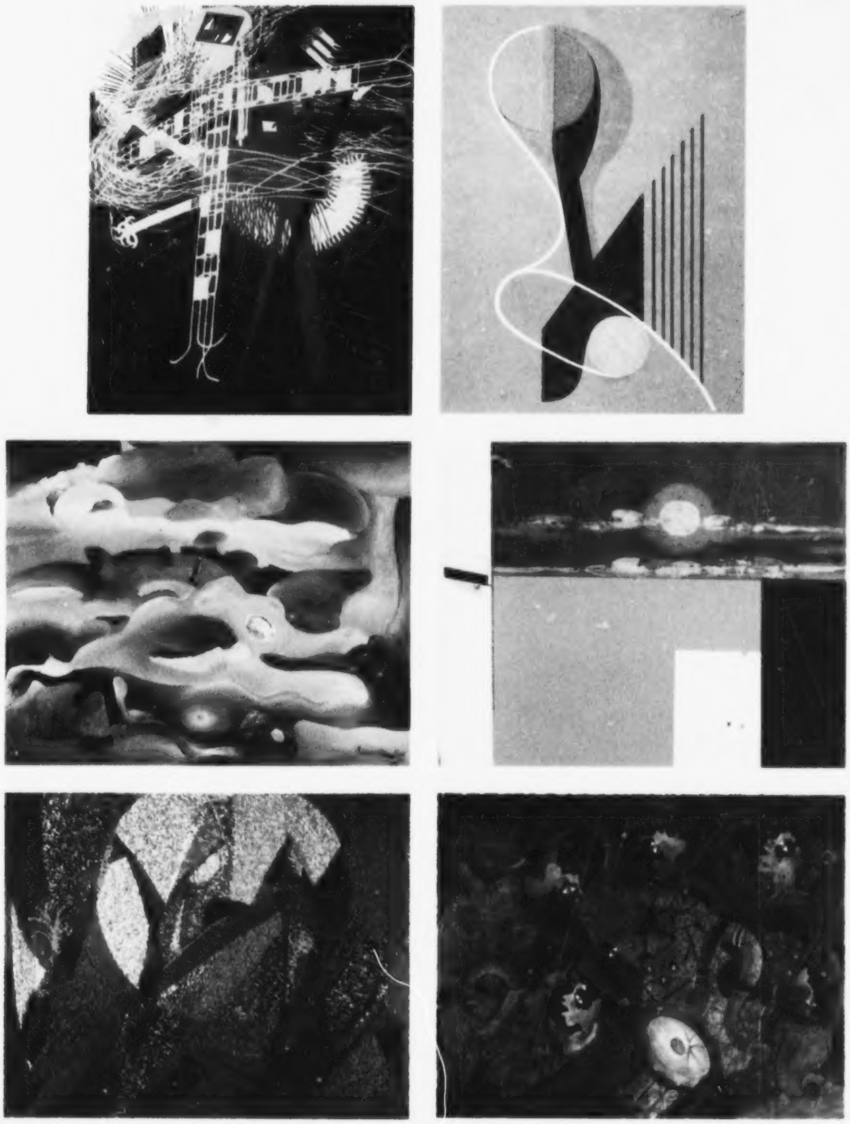
1988


CYPRUS
10 YEARS
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
25-1-88



Some of the works of art included in the "ART FOR AFRICA" exhibition, organized to increase public awareness of the problem of hunger and malnutrition in the world and raise support for IFAD's Special Programme for Africa. Sixty French and about forty Third World artists have donated paintings to the exhibition, which is due to open in June 1988 at the Musée National des Arts Africains et Océaniens in Paris.

RESOLUTIONS OF THE GOVERNING COUNCIL AND MEMBERSHIP OF GOVERNING BODIES

10
IFAD
CELEBRATION OF TENTH ANNIVERSARY

RESOLUTIONS ADOPTED BY THE ELEVENTH GOVERNING COUNCIL

Approval of Non-Original Members of the Fund

Resolution 46/XI

Approval of Non-original Members of the Fund

The Governing Council of IFAD,

Taking into account Articles 3.2(b), 3.3(a), 4.2(b) and 13.1(c) of the Agreement Establishing the International Fund for Agricultural Development (IFAD) and Section 10 of the By-laws for the Conduct of Business;

Having considered the application for non-original membership by the Republic of Trinidad and Tobago, transmitted to the Council in document GC 11/L.13, and the recommendation of the Executive Board as to the Category in which this applicant State is to be classified;

Approves the membership of the Republic of Trinidad and Tobago;

Decides that this State is to be classified in Category III.

Budget of IFAD for 1988

Resolution 47/XI

Budget of IFAD for 1988

The Governing Council of IFAD,

1. *Bearing in mind* Article 6.10 of the Agreement Establishing the International Fund for Agricultural Development (IFAD) and Regulation VI of the Financial Regulations of IFAD;
2. *Noting* that at its Thirty-First Session, the Executive Board reviewed and agreed upon a Programme of Work of IFAD for 1988 in the amount of SDR 202.2 million;
3. *Having considered* the recommendation of the Thirty-First Session of the Executive Board concerning the proposed Budget of IFAD for 1988; and the decision of the Thirty-Second Session of the Executive Board concerning the establishment of an Evaluation Committee and its related impact on the Budget of IFAD for 1988;
4. *Approves* the Budget of IFAD for 1988, as contained in document GC 11/L.3, in the amount of US$ 34 494 000, determined on the basis of a rate of exchange of 1 230 Italian Lire/US$ 1.00, plus a Contingency of US$ 500 000; and authorises the revised representation allowance of the President of IFAD, referred to in the same document;
5. *Decides* that, in the event the average value of the US Dollar in 1988 should change against the Italian Lira rate of exchange used to calculate the Budget, the total US Dollar equivalent of the Lira expenditures in the Budget shall be adjusted in proportion that the actual average exchange rate in 1988 bears to the Budget exchange rate.

The Third Replenishment of IFAD's Resources

Resolution 48/XI

The Third Replenishment of IFAD's Resources

The Governing Council of IFAD,

Having considered the Report of the Chairman on the Preliminary Findings of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure, contained in document GC 11/L.6, and the proposal and recommendation of the Executive Board thereon;

Recalling Article 4.3 of the Agreement Establishing IFAD (the Agreement) which provides that, in order to assure continuity in the operations of the Fund, the Governing Council shall periodically review the adequacy of the resources available to the Fund;

Taking into account the objectives of the Fund as set out in Article 2 of the Agreement and its continuing role in providing resources for increasing food production and improving the nutritional level of the poorest people in developing countries;

Further recalling the President's Report on IFAD's Future Financial Basis and Structure, contained in document GC 10/L.8, which, *inter alia*, recommended that arrangements be made for the necessary deliberations by appropriate bodies to be set up by the Governing Council to explore and examine alternative approaches in order to secure a firm future financial basis for the Fund;

Further recalling its Resolution 45/X of 11 December 1986 which, *inter alia*, set up a High-level Intergovernmental Committee consisting of a maximum number of 12 Members from each of Categories I, II and III respectively under the chairmanship of the President of the Fund to review, *inter alia*, the proposals presented in Section V of the President's Report on IFAD's Future Financial Basis and Structure, contained in document GC 10/L.8, and to submit a report on its preliminary findings to the Governing Council at its Eleventh Session, through the Executive Board;

Bearing in mind that the Governing Council decided that, in its review, the High-level Intergovernmental Committee give priority attention to those issues which have an immediate impact on the Third Replenishment of IFAD's Resources under Article 4.3 of the Agreement and that the negotiations concerning the Third Replenishment start not later than the first quarter of 1988 with a view to ensuring the timely completion thereof, taking into account the report of the Committee;

Noting that its Resolution 37/IX of 23 January 1986 set the period of the Second Replenishment of IFAD's Resources as 1985 - 1987;

Decides that:

1. A Consultation on the Third Replenishment of IFAD's Resources (the Consultation) shall be set up which shall meet under the chairmanship of the President of the Fund, with its first session before 31 March 1988 and with such further sessions as the Consultation may deem appropriate, to discuss all aspects of the Third Replenishment of IFAD's Resources and to negotiate the conclusion of that replenishment with a view to ensuring the timely adoption of a resolution thereon, taking into account the findings of the High-level Intergovernmental Committee, contained in its report to the Eleventh Session of the Governing Council (document GC 11/L.6).

2. The Consultation shall consist of all Member States from Categories I and II and twelve Member States from Category III, the latter to be appointed by Category III.

3. The Consultation shall submit a report on the result of its deliberations during 1988 and any recommendations thereon to the Twelfth Session of the Governing Council, through the Executive Board.(1)

4. The President of the Fund shall be requested to keep the Executive Board informed of the progress of the deliberations of the Consultation.

5. The President of the Fund shall be requested to provide such assistance to the Consultation as may be necessary for the effective and efficient discharge of its function.

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(1) The objective would be for the Consultation to complete its work no later than six weeks prior to the Thirty-Fifth Session of the Executive Board in December 1988, thereby allowing sufficient time for the timely submission of its report to the Board.

Upon adopting Resolution 48/XI, the Governing Council decided to appoint the following Members from Category III to the Consultation on the Third Replenishment of IFAD's Resources:

From Africa	**From Asia**	**From Latin America and the Caribbean**
Cameroon	India	Argentina
Congo	Pakistan	Brazil
Egypt	Philippines	Colombia
Kenya	Yemen A.R.	Panama

The High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure

Resolution 49/XI

The High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure

The Governing Council of IFAD,

Having considered the Report of the Chairman on the Preliminary Findings of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure, contained in document GC 11/L.6, and the proposal and recommendation of the Executive Board thereon;

Recalling the President's Report on IFAD's Future Financial Basis and Structure, contained in document GC 10/L.8, which, *inter alia*, recommended that arrangements be made for the necessary deliberations by appropriate bodies to be set up by the Governing Council to explore and examine alternative approaches in order to secure a firm future financial basis for the Fund;

Further recalling its Resolution 45/X of 11 December 1986 which, *inter alia*, set up a High-level Intergovernmental Committee consisting of a maximum number of 12 Members from each of Categories I, II and III respectively under the chairmanship of the President of the Fund to review, *inter alia*, the proposals presented in Section V of the President's Report on IFAD's Future Financial Basis and Structure, contained in document GC 10/L.8, and to submit a report on its preliminary findings to the Governing Council at its Eleventh Session, through the Executive Board;

Bearing in mind that the Governing Council decided that in its review, the High-level Intergovernmental Committee give priority attention to those issues which have an immediate impact on the Third Replenishment of IFAD's Resources under Article 4.3 of the Agreement Establishing IFAD and that the negotiations concerning the Third Replenishment start not later than the first quarter of 1988 with a view to ensuring the timely completion thereof, taking into account the report of the Committee;

Decides:

1. To approve the preliminary findings of the High-level Intergovernmental Committee set out in the report of its Chairman, contained in document GC 11/L.6;

2. Taking into account the progress made and the conclusions reached by the Consultation on the Third Replenishment of IFAD's Resources in the course of 1988, to request the High-level Intergovernmental Committee as presently constituted to continue to consider those proposals, presented in Section V of the President's Report on IFAD's Future Financial Basis and Structure, contained in document GC 10/L.8, as well as other views and suggestions put forward during the Tenth and Eleventh Sessions of the Governing Council and having primarily a longer-term impact on the future financial basis and structure of IFAD and to submit a report thereon to the Governing Council.(1)

3. That the composition of the High-level Intergovernmental Committee shall remain as decided by the Tenth Session of the Governing Council.

4. To request the President of IFAD to keep the Executive Board informed of the progress of the deliberations of the High-level Intergovernmental Committee.

5. To further request the President of IFAD to continue providing such assistance to the High-level Intergovernmental Committee as may be necessary for the effective and efficient discharge of its functions.

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(1) The date by which the report would be submitted to the Governing Council would be decided at a later date.

● The Twelfth Session of the Governing Council

Resolution 50/XI

The Twelfth Session of the Governing Council

The Governing Council of IFAD,

Having considered the recommendation of the Executive Board adopted at its Thirty-First Session relating to the date of the Twelfth Session of the Governing Council;

Decides, in accordance with Rule 45 of the Rules of Procedure of the Governing Council, to suspend temporarily Rule 2 of its Rules of Procedure so as to permit the holding of its Twelfth Session in January 1989; and

Authorises the President to incur obligations or make payments, if necessary, for normal operating expenditures which may arise between 1 January 1989 and such time as the Governing Council approves the Budget of IFAD for 1989, with amounts so used to be subsequently allocated against the appropriate items in the approved Budget of IFAD for 1989.

● Implementation of Article 6.8(b) of the Agreement Establishing IFAD: Continuity in the Office of the President of IFAD

Resolution 51/XI

Implementation of Article 6.8(b) of the Agreement Establishing IFAD: Continuity in the Office of the President of IFAD

The Governing Council of IFAD,

Having considered document GC 11/L.12 and the proposal therein and the Executive Board's recommendation thereon;

Having noted that the first and current term of office of the incumbent President of IFAD is to expire on 18 November 1988;

Having further noted that the Executive Board has decided to convene the Twelfth Session of the Governing Council on 24 - 27 January 1989;

Bearing in mind Article 6, Section 8(b), of the Agreement Establishing IFAD, as amended;

Decides that in accordance with Article 6, Section 8(b) of the Agreement Establishing IFAD:

(a) The incumbent President of IFAD, Idriss Jazairy, shall continue to perform the duties of his office until the date the person appointed to the position of the President by the Governing Council at its Twelfth Session is able to assume the office.

(b) The incumbent President shall perform his duties until the date referred to in paragraph (a) above on the same terms and conditions of service as are applicable to him on the date of the adoption of this Resolution.

● The Mobilization and use of Non-convertible Currency Contributions

Resolution 52/XI

The Mobilization and Use of Non-convertible Currency Contributions

The Governing Council of IFAD,

Taking into account Article 4, Section 5(b), and Article 5, Section 1(b), of the Agreement Establishing IFAD (the Agreement);

Having considered the Report of the Chairman on the Preliminary Findings of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure (document GC 11/L.6), established by Resolution 45/X of the Governing Council to review proposals on IFAD's Future Financial Basis and Structure, and the proposal and recommendation, submitted through the Executive Board, contained in documents GC 11/L.7 and GC 11/L.8, to facilitate the use of the contributions of Members of Category III made in their own currency, which is not freely convertible;

Noting the great potential for the promotion of South-South cooperation through the mobilization and use of the available non-convertible currency contributions of Members of Category III;

Decides that, taking into account national legal procedures of the contributor and the operational policies and procedures of the Fund:

I. The initial or additional contributions of a Member of Category III paid in its own, non-convertible, currency may be used by the Fund, in accordance with Article 5, Section 1(b), of the Agreement:

   (a) in consultation with the contributing Member concerned for the payment of administrative expenditures and other local costs of the Fund in the territories of that Member, which shall include the purposes set out in items (i) to (vii) inclusive of Attachment A hereto; or

   (b) with the consent of the contributing Member concerned for the payment of goods or services produced in its territories and required for activities financed by the Fund in other States, which shall include the purposes set out in items (viii) to (x) inclusive of Attachment A hereto.

II. The consultation shall be in the form of a prior notification by the Fund to that Member of the intended use or uses of the non-convertible currency contribution of the Member Country. Such available amounts as may be requested by the Fund to be paid from the available non-convertible currency contribution of any Member of Category III for the purposes specified in items (i) to (vii) inclusive of Attachment A shall be released promptly after this consultation, subject only to the normal administrative and financial clearance of its central bank or such other bank with which the contributions may be deposited.

III. The use by the Fund of the non-convertible currency contributions of Members in Category III for the purposes specified in items (viii) to (x) inclusive of Attachment A, which require the consent of the contributing Member concerned as referred to in paragraph I(b) above, shall require the specific request of the Fund to the contributing Member concerned for its consent.

IV. The President of IFAD be requested to keep the Executive Board informed periodically of the progress made in the use of non-convertible currency contributions of Members of Category III.

ATTACHMENT A

THE USES OF NON-CONVERTIBLE CURRENCY CONTRIBUTIONS (NCC) OF IFAD'S CATEGORY III MEMBERS

A. *NCC uses which should require only consultation with Member Governments under Article 5, Section 1(b), of the Agreement Establishing IFAD*

   (i) Research grants for activities carried out by international and regional centres in the Member State providing the NCC.

   (ii) Technical assistance grants for project preparation and other related activities in the Member State providing the NCC.

   (iii) Training programmes, seminars and workshops in the Member State providing the NCC.

   (iv) The cost of Governing Council and Executive Board meetings that may be held, in accordance with the relevant rules of procedure, outside of Italy in the Member State providing the NCC.

   (v) The printing of IFAD publications in the Member State providing the NCC.

   (vi) Identification, preparation, appraisal, supervision and monitoring and evaluation costs incurred in the Member State providing the NCC.

   (vii) Institution-building activities, including support for Non-Governmental Organizations (NGOs) in the Member State providing the NCC.

B. *NCC uses which should require the consent of Member Governments under Article 5, Section 1(b), of the Agreement Establishing IFAD*

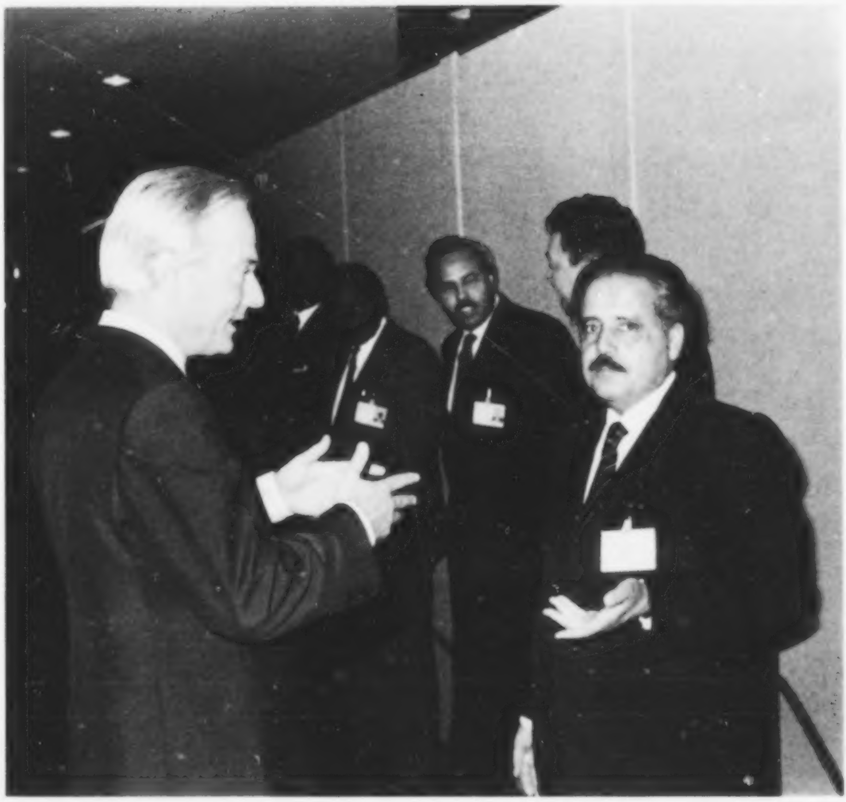
   (viii) Local cost financing for project components financed by IFAD in the Member State providing the NCC.

   (ix) Local procurement of goods and services in Member States for projects financed by IFAD in other Member States or goods and services for the use of IFAD.

   (x) Currency exchanges/swaps with other organizations.

The Vice-President of IFAD, Donald Brown, congratulates Gerrit Braks, Minister for Agriculture and Fisheries of the Netherlands, on his election as Chairman of the Governing Council.

IFAD President Idriss Jazairy talks to the Fund's former President, Abdelmuhsin M. Al-Sudeary, during the Governing Council session.



LIST OF GOVERNORS AND ALTERNATE GOVERNORS OF IFAD MEMBER STATES

As of 31 January 1988 (1)

Member
Governor
Alternate

Afghanistan
Abdul Wahab Assefi
—

Algeria
Mokdad Sifi
Mohamed Bachir-Bouiaidjra

Angola
—
—

Antigua and Barbuda
Hilroy Humphreys
Ernest Sylvester Benjamin

Argentina
Guillermo Enrique González
Mónica Deregibus
(Jan. 1988 -)

Australia
Bill Hayden
Robert B. Dun

Austria
Othmar Haushofer
Philipp Hoyos

Bangladesh
M. Syeduzzaman
(Jan.-Dec. 1987)
M.A. Munim
(Jan. 1988 -)
A.M. Anisuzzaman

Barbados
Warwick O. Franklyn
L.H. Smith

Belgium
André Kempinaire
Antoine Saintraint

Belize
Dean Russell Lindo
Yvonne Sharman Hyde

Benin
Martin Dohou Azonhiho
Valentin A. Agbo
(Jan.-Dec. 1987)
Georges Sekloka
(Jan. 1988 -)

Bhutan
Tobgye Dorji
—

Bolivia
Julio Pantoja Salamanca
Raquel Liebers de Oomen

Botswana
Geoffrey Mogegerepe Oteng
Meshack L. Mokone

Brazil
Mailson Ferreira da Nobrega
Fernando Milliet de Oliveira

Burkina Faso
Amado Pitroipa
—

Burundi
Jumaine Hussein
Vital Baranyitondeye

Cameroon
Antoine Essome
Thomas Yanga

Canada
Douglas Lindores
(Jan.-Oct. 1987)
Noble Power
(Jan. 1988 -)
Paul Krukowski

Cape Verde
João Pereira Silva
Helder Jorge Brito e Silva
Monteiro Santos

Central African Republic
Théodore Bagua-Yambo
Casimir Amakpio

Chad
Bachar Moctar Bachar
Cherif Abdelwahab

Chile
Germán Carrasco Dominguez
Juan Luis Nilo Valledor

China
Xiang Chongyang
Li Zhenhuan

Colombia
Gonzalo Bula Hoyos
Olga Clemencia Fernández

Comoros
Mohamed Ali
Mohamed Toilibou

Congo
Itihi Ossetoumba Lekoundzou
Joseph Tchicaya

Costa Rica
Carlos di Mottola Balestra
Yolanda Gago de Sinigaglia

Côte d'Ivoire
Souleymane Sako
Aziegbo Armel Koudou

Cuba
Ernesto Meléndez Bachs
Leopoldo Ariza Hidalgo

Cyprus
Fotis G. Poulides
—

Denmark
Bjoern Olsen
Erik Fiil

Djibouti
Mohamed Moussa Chehem
—

Dominica
Charles A. Maynard
Colin Bully

Dominican Republic
Guido Emilio D'Alessandro Tavarez
Jeannette Alexandra Guzmán Lulo

Ecuador
Alfredo Luna Tobar
(Jan.-May 1987)
—
Roberto Ponce Alvarado

Egypt
Youssef Amin Wally
Abdel Azim El Gazzar

El Salvador
David Humberto Trejos
María Jiménez
de Mochi Onori

Equatorial Guinea
Alfredo Abeso Nvono Onguene
Eduardo Ndong Eló Nzang

Ethiopia
Geremew Debele
Tesfaye Abdi

Fiji
—
—

Finland
Kai Helenius
Taina Teräväinen

France
Denis Samuel-Lajeunesse
Ariane Obolensky
(Jan.-Dec. 1987)
Jean De Rosen (Jan. 1988-)

Gabon
Daniel Afome-Nze
Jules Marius Ogouebandja

Gambia, The
Saihou Sulay Sabally
Abdullah Mamadou Kalifa Bojang

Germany, F.R.
Siegfried Lengl
Winfried Heck

Ghana
Steve George Obimpeh
Kofi Sekyiamah

Greece
Dimitri C. Frantzeskakis
Zabetta Ieronimaki
(Jan.-Dec. 1987)
Christos Iacovou
(Jan. 1988 -)

Grenada
Oswald Gibbs
Henriette Maria Blaize

Guatemala
Rodolfo A. Estrada Hurtarte
Carlos De León Prera

Guinea
Edouard Benjamin
Kerfalla Yansane

Guinea-Bissau
Carlos Correia
Avito José da Silva

Guyana
Creswell Joseph Earl Barker
Cecil Pilgrim
(Jan. 1988 -)

Haiti
Gustave Ménager
—

Honduras
Arturo López Luna
Rosibel Zuñiga Zambrano

India
Rajiv Gandhi
(Jan.-Dec. 1987)
Narain Dutt Tiwari
(Jan. 1988 -)
Akbar Mirza Khaleeli

Indonesia
Soegito Sastromidjojo
Dibyo Prabowo

Iran
Abbas Ali Zalli
—

Iraq
Hikmet Omar Al Hadithi
—

Ireland
Christopher Peter Fogarty
Patrick Oliver Ryan

Israel
Ilan Hartuv
Abraham Granot

Italy
Mario Ferrari-Aggradi
Elio Pascarelli
(Jan.-Dec. 1987)
Gian Luigi Valenza
(Jan. 1988 -)

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(1) At its Eleventh Session, held from 25-29 January 1988, the Governing Council elected H.E. Mr. Gerrit J.M. Braks (The Netherlands) as the Chairman of the Governing Council. Ambassador Bashir El Mabrouk Said (Libyan Arab Jamahiriya) and H.E. Mr FitzPatrick Chuula (Zambia) were elected as Vice-Chairman.

(2) Countries approved for membership by the Governing Council but whose membership formalities have not yet been completed (as of 31 January 1988).

Jamaica
K.G. Anthony Hill
Paul Robotham
(Jan.-Dec. 1987)
Ransford Smith (Jan. 1988 -)

Japan
Reishi Teshima
Koji Kashiwaya

Jordan
Taher Kanaan
Salem Al-Lozi

Kenya
Elijah Wasike Mwangale
William Morogo A. Saina

Korea, D.P.R.
Li Jong Hyok
Kang Sok Lyong
(Jan.-Dec. 1987)
—

Korea, Republic of
Nam-Ki Lee
Koo-Bum Shin

Kuwait
Jassem Mohammed Al-Khorafi
Bader Al-Humaidhi

Laos
Sisane Sisavath
Nhouyvanisvong Soulignong

Lebanon
Adel Osseiran
—

Lesotho
Evaristus R. Sekhonyana
Gerard Phirinyane Khojane

Liberia
Peter Deo Youn
Joseph K. Famolu

Libyan Arab Jamahiriya
Bashir El Mabrouk Said
—

Luxembourg
Robert Goebbels
Yves Mersch

Madagascar
José Michel Andrianoelison
Apolinaire Andriatsiafajato

Malawi
H.M. Mbale
M.M.Z. Njolwa

Maldives
Mohamed Umar Maniku
Abdul-Azeez Abdul Hakeem

Mali
Issa Ongoiba
Ousmane Diallo

Malta
Maurice Abela
Victor L. Seychell

Mauritania
Cheikh Ahmed Ould Louly
Ahmedou Ould Ely (Jan. 1988 -)

Mauritius
Murlidas Madun Dulloo
Rishinand Raj Dookhony

Mexico
José Ramón López-Portillo Romano
Raúl López-Lira Nava

Morocco
Ahmed Alaoui Abdellaoui
Mohamed Bouarfa

Mozambique
Hermenegildo Maria Cepeda Gamito
Marco Bastos

Nepal
Hari Narayan Rajauriya
Punya Prasad Dahal

Netherlands
Pieter Bukman
Gerrit J.M. Braks

New Zealand
Donald James MacKay
Anne Josephine Costello Kamsvag

Nicaragua
Pedro Antonio Blandón Lanzas
Humberto Carrión McDonough

Niger
Amadou Mamadou
Mahamadou Danda

Nigeria
Mohamed Gado Nasko
A.G. Gobir

Norway
Thorbjoern Kristoffer Christiansen
Harald Hoestmark

Oman
Mohammed bin Abdullah bin Zaher Al-Hinai
Mohammed bin Taher bin Alawi Aideed

Pakistan
Mohammad Ibrahim Baluch
Saeed Ahmad Qureshi

Panama
José Manuel Watson
Alfredo Acuña Humphries

Papua New Guinea
Galeva Kwarara
J. Valupindi

Paraguay
Aníbal Fernández
Luis María Aveiro Monello

Peru
Remigio Morales Bermudez
Washington Zúñiga Trelles

Philippines
Vincente Jaime
Alejandro Melchor

Portugal
Carlos Alberto de Freitas Dantas Texeira
António de Almeida Ribeiro

Qatar
Sheikh Faisal Bin Thani Al-Thani
—

Romania
Aurel Antoniu
Constantin Tudor

Rwanda
Anastase Ntezilyayo
Dismas Nsengiyaremye

Saint Christopher and Nevis
Hugh C. Heyliger
Aubrey Hart

Saint Lucia
Ferdinand Henry
Brian Charles

Saint Vincent and the Grenadines(2)
—
—

Sao Tome and Principe
O. Aguiar Do Sacramento e Sousa
Maria Manuela Margarido

Saudi Arabia
Abdul Rahman Bin Abdul Aziz Al Al-Sheikh
Mohamed Ali Makki

Senegal
Famara Ibrahima Sagna
Abdou Malick Sow
(Jan.-Dec. 1987)
Baba Top
(Jan. 1988 -)

Seychelles
Danielle de Saint Jorre
Serge Savy

Sierra Leone
Philipsan Kamara
Eya E. M'Bayo

Solomon Islands
Daniel Sande
Nathaniel Waena

Somalia
Sheikh Abdulla Mohamed Mohamoud
Abbas Musse Farah

Spain
Francisco Monforte
Ismael Diáz Yubero

Sri Lanka
D.B. Wijetunga
Chandra N. De Zoysa

Sudan
Omer Nureddaim
Gamal Mohamed Ahmed

Suriname
—
—

Swaziland
Hezekiel S. Mamba
A.V. Kunene

Sweden
Bengt Saeve-Soederbergh
Carl Johan Groth

Switzerland
Jean-François Giovannini
Rolf Jeker
(Jan.-Dec. 1987)
Wilhelm Jaggi
(Jan. 1988 -)

Syria
Sabah Bakjaji
Mohamed Ali Sabbagh

Tanzania, United Republic of
Jackson M. Makweta
Abbas Kleist Sykes

Thailand
Pong Sono
Vanrob Isarankura

Togo
Koffi Kadanga Walla
Essobéhéyi Kambia

Tonga
James Cecil Cocker
Selwyn Jones

Trinidad and Tobago(2)
—
—

Tunisia
Mohamed Ben Hassouna Ghannouchi
Mohamed Abdelhadi

Turkey
Hüsnü Dogan
Temel Iskit

Uganda
Yoeri Zirabamuzaale Kyesimira
Robert Kikomo Kitariko

United Arab Emirates
Ahmed Humaid Al Tayer
Mohamed Khalfan Khirbash

United Kingdom
J.L.F. Buist
K.G.W. Frost

United States
M. Peter McPherson
(Jan.-Oct. 1987)
M. Alan Woods
(Jan. 1988 -)
Richard T. McCormack

Uruguay
Pedro E. Bonino Garmendia
—

Venezuela
Héctor Hurtado
Mercedes Fermín Gómez

Viet Nam
Huynh Cong Tam
Nguyen Chi Thanh

Western Samoa
Fuimaono Mimio
—

Yemen A.R.
Hussein Abdulla Al-Amri
Aly Abdullah Al Aghbary

Yemen, P.D.R.
Ahmed Ali Muqbel
Abdulla Saeed Abaddan

Yugoslavia
Milutin Tapavicki
Josip Kulisic

Zaire
Nzekele Kitshodi
Sango Ya Tambwe

Zambia
FitzPatrick Chuula
D.C. Munkombwe
(Jan.-Dec. 1987)
R.S. Zimba
(Jan. 1988 -)

Zimbabwe
Moven E. Mahachi
T.S. Mombeshora

LIST OF EXECUTIVE DIRECTORS AND ALTERNATE EXECUTIVE DIRECTORS

Until 28 January 1988

● Category I

Executive Director	Alternate Executive Director
Taina Teräväinen Finland	Harald Hoestmark Norway
Pierre Achard France	Herbert Lust Austria
Koichi Obata Japan	Réal T. Lalande Canada
Roger Pasquier Switzerland	Ruud J. Treffers (Jan. - Oct. 1987) J.A.N. Weijers (Nov. 1987 -) Netherlands
K.G.W. Frost United Kingdom	Wilhelm Suden Germany, F.R.
Richard M. Seifman United States	

● Category II

Executive Director	Alternate Executive Director
Behnam Aziz Bunni Iraq	Sjarifudin Baharsjah Indonesia
Abdul-Karim Sadik Kuwait	Nariman Abdulla Kamber Al-Awadhi United Arab Emirates
Bashir El Mabrouk Said Libyan Arab Jamahiriya	Mustapha Achour Algeria
Oladesu Awoyemi (Jan. - July 1987) O.F.J. Oyaide (Aug. 1987 -) Nigeria	Jean Fidèle Nguéma-Nzé (Jan. - Sept. 1987) Jules Marius Ogouebandja (Oct. 1987 -) Gabon
Atif Yahya Abdullah Bukhari Saudi Arabia	Mohamed Salem Al-Kuwari Qatar
Mercedes Fermín Gómez Venezuela	Abbas Ali Zalli Iran

● Category III

Executive Director	Alternate Executive Director
AFRICA	
Joseph Tchicaya Congo	Peter Deo Youn Liberia
Therre Clément Rajaona Madagascar	Mike Malikana Liswaniso Zambia
ASIA	
Ho-Sun Han Korea, Republic of	A.K.M. Masihur Rahman Bangladesh
Ernest Leung Philippines	Magana Arachchige Piyasekera (Jan. - Sept. 1987) Chandra N. De Zoysa (Oct. 1987 -) Sri Lanka
LATIN AMERICA	
Fernando Homem de Melo Brazil	Gonzalo Bula Hoyos Colombia
José Ramón López-Portillo Romano Mexico	Leopoldo Ariza Hidalgo Cuba

BANGLADESH
CANADA
INDONESIA

As a result of an election held at the Eleventh Session of the Governing Council on 28 January 1988, pursuant to Article VI, Section 5, of the Agreement Establishing IFAD, the composition of the Executive Board's membership of all categories as of 28 January 1988 was as follows:

		Member	**Alternate Member**
● Category I		Finland	Norway
		France	Austria
		Japan	Canada
		Switzerland	Netherlands
		United Kingdom	Germany, F.R.
		United States	
● Category II		Iraq	Indonesia
		Kuwait	United Arab Emirates
		Libyan Arab Jamahiriya	Algeria
		Nigeria	Gabon
		Saudi Arabia	Qatar
		Venezuela	Iran
● Category III	**Africa**	Congo	Liberia
		Madagascar	Zambia
	Asia	Cyprus	Nepal
		Korea, Republic of	Bangladesh
	Latin America	Brazil	Colombia
		Cuba	Mexico

SUMMARY DESCRIPTION
OF PROJECTS APPROVED DURING 1987

A farmers' group works together in Kenya.

Benin

Project:
Second Borgou
Rural Development (c1)
Loan Amount:
SDR 7.95 million
(approximately US$ 10.5 million
from regular resources)
on highly concessional terms

As a continuation of the Fund's first rural development project in Borgou Province, this second phase project aims at consolidating the gains in productivity already achieved by placing greater emphasis on productivity improvements at farm level and improving the efficiency of grassroot development institutions. Structural reforms will be initiated in the rural sector starting with an action programme for the depressed cotton sub-sector. Specifically, the project will seek to (i) increase the productivity of smallholders, particularly the poorer segments and women by strengthening farmers' organizations, increasing availability of inputs, through credit and improving extension services; (ii) promote environmental protection, soil and water conservation through intensive field-level farming system research with emphasis on soil and water conservation, encouraging the adoption of improved animal traction methods, and training of communities in environmental protection practices; (iii) provide medium-term credit for oxen and equipment to those farmers who at present do not possess such resources; (iv) prepare and launch a longer term sectoral adjustment programme through national and regional level studies; and (v) improve the financial viability of the cotton sector through cost reduction and better financial management of agencies serving the sub-sector. Women will be major beneficiaries as food producers. By the fourth year of the project, incremental seed cotton production will reach 56 000 mt and food production 26 000 mt. Increase in family income will range between US$ 1 210 to US$ 2 234. *Total cost:* estimated at US$ 66.2 million, of which US$ 20.6 million is cofinanced by the International Development Association (IDA), US$ 20.5 million by the Caisse centrale de coopération économique (CCCE) of France and US$ 7.0 million by the West-African Development Bank (BOAD). The recipient country and the beneficiaries will contribute approximately US$ 7.6 million. *Cooperating Institution:* IDA.

Bolivia

Project:
Chuquisaca South Rural
Development (c2)
Loan Amount:
SDR 4.2 million
(approximately US$ 5.5 million
from regular resources)
on highly concessional terms

Targetted at some 12 000 small farmer peasant families in the north and south Cinti provinces of Chuquisaca, an isolated and one of the more forgotten parts of the Bolivia Highlands, this IFAD-initiated project will seek to break down the area's isolation through a programme of road construction and infrastructural strengthening; to increase its productive resources, particularly that of irrigated land, and the availability of improved potato seed; diversification of production through the development of fruit crops, particularly apples for which the area is particularly suited; and to increase employment opportunities, thus discouraging migration out of the area. During the first two years of project implementation, emphasis will be on infrastructure works (irrigation and roads) and multiplying improved potato seed production which will be undertaken by local farmers. In the third and fourth project years, as a result of the credit facilities introduced and a strengthened extension service, supported by the introduction of the mass communication medium of radio, it is expected that the production of the main staples (potatoes, grains and beans) will show a significant increase in marketable production, which will contribute to small farmer family income, in addition to generating greater supplies for on-farm consumption. The final three years of the project will be years of consolidation and will see the first yields from the development of fruit cuttings (apples and peaches from nurseries) so that the area's development becomes self-sustainable after the project implementation period. Credit facilities under the project will benefit 4 260 families. *Total cost:* estimated at US$ 9.0 million, of which US$ 2.0 million is cofinanced by the Fund for International Development of the Organization of Petroleum Exporting Countries (OPEC) and US$ 0.25 million by the World Food Programme (WFP). The recipient country will contribute approximately US$ 1.25 million. *Cooperating Institution:* CAF.

Symbols attached to the title of the project signify:

(c1)
Projects initiated by IFAD's cooperating institutions and cofinanced by IFAD.

(c2)
Projects initiated by IFAD and cofinanced by other external donors.

(e)
Project initiated and exclusively financed by IFAD.

The figures for IFAD cofinancing and recipient country amounts in US dollars are taken from the President's Reports and Recommendations to the Executive Board on proposed projects.

Burkina Faso

Programme:
Special Programme for
Soil and Water Conservation
and Agroforestry
in the Central Plateau (e)
Loan Amount:
SDR 7.0 million
(approximately US$ 9.2 million
from the SRS)
on highly concessional terms
Grant Amount:
SDR 0.65 million
(approximately US$ 0.8 million
from the Special Resources
for Sub-Saharan Africa (SRS))

Within the framework of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, this IFAD-initiated programme seeks to restore the agricultural environment of the Central Plateau, which is facing the worst problems in terms of food deficit, environmental degradation and population pressure. It will improve the food security for the inhabitants and reduce the massive exodus of active young people; raise incomes and living standards; alleviate the burden and promote the role of women; and promote the formation and strengthening of local associations, particularly in the fields of savings and credit, so as to ensure the continuation of action initiated and developed under the programme. To achieve these objectives, the programme will concentrate on: (i) the establishment of erosion-control systems by the villagers, including the construction and vegetative cover of bunds; (ii) the promotion of agro-forestry through the production and distribution of seedlings of multipurpose trees by village nurseries, and alley cropping; (iii) crop intensification through the use of organic matter, rock phosphate, fertilizers and fungicides; (iv) adaptive research in support of the programme's aims in collaboration with specialised institutes; (v) the creation of a credit village development fund to be managed in collaboration with local credit unions, particularly in support of women's activities; and (vi) institutional strengthening. The programme will directly benefit 13 400 rural families (134 000 people). By the seventh year of the programme, incremental production of food crops is expected to reach 12 000 mt annually. *Total cost:* estimated at US$ 13.9 million (first phase). The recipient country and the beneficiaries will contribute approximately US$ 1.2 million and US$ 2.7 million respectively. *Cooperating Institution:* BOAD.

Cape Verde

Project:
Artisanal Fisheries Development (c2)
Loan Amount:
SDR 4.35 million
(approximately US$ 5.7 million
from regular resources)
on highly concessional terms

Given the development potential of the country's fisheries sector, the main objectives of this IFAD-initiated project are to increase the fish catch and to improve the quality and regularity of fish supplies; to raise the incomes and improve the quality of life of the fishermen and their families. The project will provide the fishermen with equipment, improved boats and outboard motors and technical assistance. In addition, socio-technical centres will be constructed, equipped and maintained in support of the fishing communities. Project beneficiaries will include some 1 800 artisanal fishermen families operating 700 boats from Santiago, the largest island of the archipelago, and another 200 fishermen families on other southern islands, representing 60% of the country's artisanal fishermen. Considerable impact on the production and income of artisanal fishermen will be achieved through the supply of improved equipment for traditional fishing, increased access to farther and richer fishing grounds through the supply of motors and stronger boats, preservation of their catch in cold stores and through improved marketing. At full development, the project will bring about an additional fish catch of 9 630 mt, representing a 247% increase over present production. *Total cost:* estimated at US$ 14.4 million, of which US$ 5.7 million is African Development Bank (AfDB) cofinancing and US$ 1.1 million is provided as a technical assistance grant by the United Nations Development Programme (UNDP). The recipient country will contribute approximately US$ 1.9 million. *Cooperating Institution:* AfDB.

Colombia

Project:
Boyacá-Santander Integrated
Rural Development (c2)
Loan Amount:
SDR 7.15 million
(approximately US$ 9.0 million
from regular resources)
on ordinary terms

As part of the Integrated Rural Development Programme (DRI)-Phase II, which has been given priority under the National Plan for Social and Economic Development, this IFAD-initiated project will foster the development of small farms through a strategy to increase food production and improve nutrition. Infrastructure and social services will be provided by the Government. The project will operate in the heavily populated Andean Departments of Boyacá and Santander, in an area where about 56 000 small farmers and their families have still not benefitted from any assistance under DRI. Some 17 000 small farm families of this group will directly benefit from the project. Resources from a credit component will be made available to poor farmers to finance longer-term investments and short-term crop and animal production costs. Extension and training will be provided to allow beneficiaries to adopt appropriate production technologies. The project will promote beneficiary farmer participation in marketing and at the same time reduce the presence of intermediaries, by strengthening cooperatives through credit for the marketing of products and the financing of small-scale market facilities. In addition, 2 000 peasant women will be assisted in developing small-scale activities through (i) training and technical assistance in the rearing of livestock and poultry and the production of fruit and vegetables and (ii) marketing credit. Better access to local markets will be provided by the project's rural roads component. At full development, per capita net farm income is expected to increase some three times to between US$ 179 and US$ 520. *Total cost:* estimated at US$ 42.5 million, of which US$ 8.0 million is cofinanced by CAF and US$ 3.0 million by the OPEC Fund. An additional loan for US$ 1.5 million has been requested to CAF. The recipient country will contribute approximately US$ 21.0 million. *Cooperating Institution:* CAF.

Dominican Republic

Project:
South Western Region Small Farmers (e)
Loan Amount:
SDR 6.1 million
(approximately US$ 8.0 million
from regular resources)
on intermediate terms

Located in one of the two most arid zones of the country, where the minifundia system of smallholdings is predominant, this IFAD-initiated project will directly and indirectly benefit some 2 800 poor peasant families or 17 000 people on 5 200 ha. The objectives of the project are to increase the production of basic food crops (plantains, beans and maize); improve agricultural services and marketing; raise incomes and nutritional levels; and promote women's participation in the development of the area. The project strategy consists of: (i) the rehabilitation of the five independent irrigation systems through the National Water Resource Institute, which will be strengthened in the area, and the promotion of farmer participation in operations and maintenance; (ii) the transfer of technology through a strengthening of the extension services, training, and the promotion of the already existing associations of farmers, women and young people; (iii) making production credit available to some 1 700 farmers; and (iv) providing credit, technical assistance and training to 1 200 women for community garden cultivation, grape production and the rearing of small animals as well as the establishment of forest nurseries. In addition, some 1 350 women will be trained in health and nutrition practices. The project will bring about a doubling of net per capita on-farm income and an increase of 32% in employment of the currently underused family labour; and an improvement in food availability and better nutrition and an enhancement of the economic and social role of women. The production increase in the basic food crops will have a positive impact on the balance of payments, contributing to both export generation and import substitution. *Total cost:* estimated at US$ 10.0 million. The recipient country will contribute approximately US$ 2.0 million. *Cooperating Institution:* UNDP/OPE.

Ethiopia

Project:
Fourth Livestock Development (c1)
Loan Amount:
SDR 4.5 million
(approximately US$ 5.7 million
from regular resources)
on highly concessional terms;
in addition, US$ 2.0 million
will be provided
from proceeds of loan 131-ET

Forming part of the Government's priority development strategy to increase food grains and livestock production, this project represents a contribution to a long-term programme to improve human nutrition and peasant sector production. The specific overall objective is to raise peasant family incomes through livestock productivity and resource conservation. Animal health and nutrition will be improved, as well as animal draught power, with induced benefits in terms of human nutrition and farmers' crop growing potential. Soil and water conservation will rely on small-scale land-use plans, improved grazing management and forage and other crop planting, special attention being paid to the environmental impact that the expected reduction in animal mortality and any consequent overgrazing may imply. Access to credit will be expanded - to cooperatives responsible for veterinary drug management and to individual farmers for livestock fattening and the purchase of draught oxen. Associated institution strengthening will include manpower training, developing access to medium-term credit and improving cost recovery mechanisms. At full development in ten years' time, an estimated 770 000 farm families in Ethiopia's highland region will benefit from an expected average increase of 27% in income from livestock. Women in particular will benefit from improved extension services and access to credit for their traditional livestock management activities - a development that will also lead to a more systematic access for them to institutional credit. The nomads, a segment of the population most susceptible to the frequent droughts, will also benefit from the project. *Total cost:* estimated at US$ 57.2 million, of which US$ 39.0 million is cofinanced by IDA. The recipient country will contribute approximately US$ 10.5 million. *Cooperating Institution:* IDA.

Guinea-Bissau

Programme:
Rural Incentives (e)
Loan Amount:
SDR 3.5 million
(approximately US$ 4.5 million
from the SRS)
on highly concessional terms
Grant Amount:
SDR 0.8 million
(approximately US$ 1.0 from the SRS)

Financed under the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, the Rural Incentives Programme will contribute to the ongoing Structural Adjustment Programme (SAP). In particular, it will serve to balance certain of its shortcomings by providing to the smallholder agricultural sector - the most productive in the country - appropriate farming inputs necessary to exploit opportunities presented by the adjustment programme's new policies. One objective of the programme will be to promote a policy dialogue on the crucial issue of reducing dependence on imported foodstuffs (including food aid) as well as the expansion of incentives to staple production. Specific measures will include: technical assistance to facilitate the importation and distribution of inputs; monitoring the flow of producer and consumer goods into the rural areas; and assessing the socio-economic impact of the SAP on the rural population. Solutions to long-term obstacles to expansion of smallholder agriculture will also be sought and include, on a pilot basis, support to institutional development and participation at village level in the establishment of alternative channels for input distribution and marketing. The IFAD programme will be national in scope and benefit the smallholders in general, estimated at 680 000 or 75% of the population. *Total cost:* estimated at US$ 5.6 million. The recipient country will contribute approximately US$ 0.1 million. The IFAD-financed programme, together with other programmes financed on a parallel basis by the Saudi Fund and the German Credit Institute for Reconstruction for a total of US$ 10.7 million, will support the Structural Adjustment Programme for which a loan amounting to US$ 30.9 million is financed by the World Bank, AfDB and the Swiss Development Corporation (SDC). *Cooperating Institution:* IDA.

Honduras

Project:
Intibucá-La Paz Rural Development (c2)
Loan Amount:
SDR 4.85 million
(approximately US$ 6.2 million
from regular resources)
on intermediate terms

Centred on a few production-oriented components and drawing on IFAD's experience in previous integrated rural development projects in the country, this IFAD-initiated project expects to directly benefit some 4 300 small peasant families, with farms under 10 hectares, who will form some 240 farmer groups receiving extension and credit services to introduce them to improved production technologies conducive to higher crop yields and the protection of soil resources. With the introduction of an agrarian regularization component, the project will start a process of land tenure regularization which will benefit farmers with land titles and establish a basis for land allocation to landless. Small farmer organizations will be encouraged to undertake self-help development and be the focus for coordinated action by the government agencies involved in the project's implementation. Credit will benefit 3 200 peasant families, including women's groups, who will obtain loans for crop production and some agro-industrial activities. A substantial improvement in the farm families' diet is expected, although most of their incremental output will go to nearby markets. To break through traditional isolation of the *campesinos*, access roads to markets and service centres will be built or improved. Annual gross farm income of peasant families receiving project assistance is expected to increase from an average of US$ 350 at present to US$ 800 at full project development. The project will generate an additional 7 200 mt per year of food grains and 1 300 mt of fruit and vegetables. *Total cost:* estimated at US$ 22.5 million, of which US$ 12.4 million is Inter-American Development Bank (IDB) cofinancing. The recipient country will contribute approximately US$ 3.9 million. *Cooperating Institution:* IDB.

India

Project:
Orissa Tribal Development (c2)
Loan Amount:
SDR 9.25 million
(approximately US$ 12.2 million
from regular resources)
on highly concessional terms

To complement the Government of India's approach to integrating tribal populations into the national economy, this IFAD-initiated project aims at achieving sustainable economic uplift for one of the most disadvantaged sections of the community. The poorest people in Orissa, itself one of the poorest states in the country, will benefit from integrated development activities in the Kasipur block (Koraput District), with its 12 500 tribal families, some 90% of whom live below the poverty line. About 4 000 non-tribal families will also benefit indirectly from the project. Moreover, given their major role in agriculture, women will benefit directly from increased productivity of labour and promotion of their role in village-level organizations and will as such participate more actively in decision-making. A parallel short-term objective is to identify development strategies likely to yield the greatest impact and also be capable of replication elsewhere and at minimal incremental cost. A programme of integrated investments will focus on: agricultural production, which will embrace improved techniques, contouring, relief for overworked upper slopes, gully plugging, area-adapted seed and extension for farmers accepting conservation-oriented packages, perennial crops, nurseries; road improvement; commercial development, including the provision of a market intelligence service to protect tribes from price exploitation; land survey, involving the updating and completion of that for the Kasipur Block, to ensure clearer occupancy titles; and management support. *Total cost:* estimated at US$ 24.4 million, of which US$ 1.4 million is a World Food Programme (WFP) grant. The recipient country will contribute approximately US$ 10.8 million. *Cooperating Institution:* UNDP/OPE.

Indonesia

Project:
Income-Generating Project for
Marginal Farmers and Landless (c2)
Loan Amount:
SDR 10.6 million
(approximately US$ 14.0 million
from regular resources)
on intermediate terms

Building on lessons learned and successes achieved under a pilot Small Farmer Development Project, this IFAD-initiated project seeks to alleviate rural poverty by initiating a range of income-generating activities in six provinces. This objective will be achieved through the development of small-farmer groups and the provision of extension support and collateral-free credit through the formal banking system to finance both farm and off-farm enterprises. Emphasis will be on developing the entrepreneurial and self-help potential among the rural poor and on strengthening links between governmental services and farmer groups in such a way that, in the long-term, reliance on direct government support can be reduced. Institutional strengthening will focus on coordination between Bank Rakyat Indonesia (BRI) and extension staff assigned to small farmer group activities. Among the nearly 30% of the rural population living below the poverty level - including families with little or no land, no wage income and no capital, together with small-scale fishermen - some 16 750 groups (one fifth of them women's groups) established by the extension services, a further 10 000 groups formed by non-governmental organizations and 2 000 groups that were formed under the earlier project and consolidated - will be the beneficiaries. Training will be provided for the beneficiaries and for the extension staff providing that training. The credit component, making up over half the base project costs and two-thirds of IFAD financing, will be used for a revolving fund providing fixed and working capital for a range of income-generating activities for the small-farmer groups. *Total cost:* estimated at US$ 28.06 million, of which US$ 1.99 million is to be provided as a grant by the Government of The Netherlands and US$ 1.4 million in cofinancing by other sources (under discussion). The recipient country will contribute approximately US$ 10.67 million, which includes contributions from BRI and the beneficiaries. *Cooperating Institution:* UNDP/OPE.

Jamaica

Project:
Hillside Farmers Support (c2)
Loan Amount:
SDR 5.1 million
(approximately US$ 6.7 million
from regular resources)
on intermediate terms

In support of the Government's efforts toward sustained economic growth, fuller employment and redressing the balance of payments, this IFAD-initiated project will help the smallholder hillside farmers to overcome one of the major constraints to agricultural development by providing credit to encourage coffee and cocoa production (new plantings, rehabilitation and inter-cropping) and as start-up capital for small-scale rural enterprises. Beneficiaries will be some 4 175 families, with little or no land or other assets acceptable as collateral, living in the steeply sloping hillside areas which have unexploited potential but are susceptible to erosion. In addition to the loans, cash advances will be given, based on the value of the crop at full development, to help the farmer during the establishment period of the tree crops. A loan guarantee fund will provide 80% cover against risks borne by the 15 People's Cooperative Banks chosen to on-lend this credit and allow the latter a workable interest spread. Benefits will accrue in food production and nutrition, environment conservation, employment and foreign exchange and in the opportunities created, particularly for women, in the small-scale enterprise sector. *Total cost:* estimated at US$ 14.2 million, of which US$ 1.4 million is provided as a grant from the Government of The Netherlands. The recipient country and participating agencies will contribute approximately US$ 3.9 million and the farmers US$ 2.2 million. *Cooperating Institution:* CDB.

Laos

Project:
Rural Credit (c2)
Loan Amount:
SDR 3.5 million
(approximately US$ 4.4 million
from regular resources)
on highly concessional terms

As the first international organization to support credit in Laos, IFAD aims to support the strengthening of the State Bank of Laos' (SBL) capacity to deliver institutional credit in the rural areas and help in the Government's priority development effort to increase rural production and incomes through the strategy of intensification, diversification and modernization of agricultural production and simultaneous support for the development of small-scale industries, primarily for women. Through this first rural credit project, IFAD will assist the Government to undertake needed institutional and policy reforms, particularly with respect to prices, interest rates and foreign exchange rates, and to develop institutional credit into an efficient tool for economic growth and poverty alleviation. The project will increase access to and supply of farm and non-farm inputs to the target group and provide incremental foreign exchange for the procurement of crucial inputs for smallholder agriculture and small-scale cottage and light industry sectors. It will also strengthen the SBL and the technical ministries at national, provincial and district levels to operate the expanded and improved rural credit programme and increase the mobility of the credit operations staff. The target group consists of 150 000 rural families in the initial project area and 135 000 families in the expansion area, all located in the southern provinces which to date have been almost totally excluded from external assistance and where poverty is higher than that of the rest of the country. Net farm family incomes are expected to increase in a range of 10% to 50% depending on the type of enterprise and activity. In the case of integrated aquaculture (fish-ducks or fish-pigs), an increase of nearly 100% is envisaged. The project has a prime commitment to lightening women's household burdens and assisting them to produce higher quality products with the provision of necessary equipment. A positive impact on the environment is expected from the anticipated reduction in shifting cultivation. *Total cost:* estimated at US$ 7.03 million. The recipient country will contribute approximately US$ 1.71 million and is exploring possible sources of cofinancing the balance of approximately US$ 0.92 million. If the cofinancing does not materialize, it would be added to the Government's contribution. *Cooperating Institution:* UNDP/OPE.

Malawi

Project:
Smallholder Agricultural Credit (c2)
Loan Amount:
SDR 4.95 million
(approximately US$ 6.4 million
from regular resources)
on highly concessional terms
Grant Amount:
SDR 0.4 million
(approximately US$ 0.5 million
from regular resources)

To help smallholders raise their productivity and incomes, this IFAD-initiated project aims at consolidating and expanding the coverage of the smallholder credit system throughout Malawi on a self-financing and sustainable basis, mainly through the medium of grass-roots farmer clubs. A smallholder agricultural credit administration will be established within the National Rural Development Programme (NRDP) of the Ministry of Agriculture, through which resources will be allocated and the use of credit monitored. Greater emphasis will be given to the improvement of medium-term credit services and increasing the range of items obtainable at more competitive prices. This and the improvement of the input supply services and seasonal credit packages available will contribute to the process of the diversification of smallholder enterprises and at the same time will cater more fully to the needs of the poorer smallholders, including women. By the seventh year of the project, 200 000 additional smallholder families will have directly benefitted from these measures. In addition, the project will introduce a "Pilot Credit Scheme for the Rural Poor" to specifically cater to the needs of smallholders with less than one hectare of land, who lack the resources to benefit from NRDP agricultural credit. Through it, some 4 000 such marginal smallholders will be given access to credit administered on a group basis following concepts derived under the successful IFAD-supported Grameen Bank Project in Bangladesh. Such smallholders, especially women, will thereby be able to engage in small-scale off-farm income generating activities under their own initiative. *Total cost:* estimated at US$ 14.4 million, of which US$ 5.9 million is IDA cofinancing. The recipient country will contribute approximately US$ 1.4 million and the beneficiaries US$ 0.2 million. *Cooperating Institution:* IDA.

Mozambique

Project:
Second Agricultural Rehabilitation (c2)
Loan Amount:
SDR 11.85 million
(approximately US$ 15.0 million
from the SRS)
on highly concessional terms.
Grant Amount:
SDR 0.8 million
(approximately US$ 1.0 million
from the SRS)

Building on the lessons learned from the first IFAD-supported project completed in mid-1987, and designed to support the Government's Economic Rehabilitation Programme 1987-90, this IFAD-initiated project focusses on the recovery of the small farmers' production base and seeks to provide over 1.2 million smallholders and their families and about 25 000 artisanal fishermen with appropriate inputs in order to revive their production, consumption and incomes from the levels depressed by the civil disturbances and natural calamities of the last decade. These inputs include hand tools, quality seed and ox-drawn equipment and, as a means of rehabilitating the traditional tasks of women and relieving them of some of the associated drudgery, such crop-processing equipment as maize shellers and oilseed presses, as well as water and fuelwood carrying items, while the fishermen will receive fishing gear and accessories that, due to their unavailability or cost, might not otherwise be replaced when worn out. The potential incremental income, disregarding potential losses in the absence of such project assistance, for the two sub-sectors is in the region of US$ 14 to 18 million and US$ 1.3 to 4.2 million per annum, respectively. Associated institutional development will include support for the Ministry of Agriculture's extension, training and research services and for village-level marketing. *Total costs:* estimated at US$ 21.25 million, of which US$ 2.5 million is provided as a grant by the Government of The Netherlands. Discussions are underway between the Government of the People's Republic of Mozambique and India for a grant in kind (equivalent to approximately US$ 1.5 million) to be provided by the Government of India under the AFRICA Fund. The recipient country will contribute approximately US$ 1.25 million. *Cooperating Institution:* IDA.

Nepal

Project:
Production Credit for Rural Women (c2)
Loan Amount:
SDR 4.75 million
(approx. US$ 6.0 million
from regular resources)
on highly concessional terms

Seeking to build on the positive experience gained in the United Nations Children's Fund (UNICEF)-supported pilot phase of a similar women's development programme, this IFAD-initiated project will seek to enhance the status of rural women - the most disadvantaged section of the poor - by increasing their incomes and by providing them and their families with social development services, the establishment of self-reliant women's groups and the development of a delivery system to provide credit and technical support services. With particular emphasis on the remote Far Western Development Region, the project will cover 37 of the country's 75 districts. Low-income landless households, female-headed households and women in the disadvantaged ethnic and social groups are the project's target group. Capital will be provided on a credit and on a grant basis: seasonal and term credit for on and off-farm activities, including livestock and crop raising/establishment of fodder tree nurseries which will alleviate overstocking and also provide an income-generating activity, craft and retail activities and retail outlets for input supply and livestock vaccination services. Grants and credit will also provide capital for irrigation investments. Community development activities will promote the involvement of beneficiaries in the project and provide support for production and human resource development. Institutional support will benefit from the streamlining of the central services in order to secure prompt response to the needs of the districts. At full development, about 16 390 rural women are expected to earn significantly higher incomes from livestock, crop production, non-farm enterprises and irrigation. *Total cost:* estimated at US$ 12.03 million, of which US$ 2.71 million is a grant from UNICEF, US$ 1.00 million a grant from the Government of Finland and US$ 0.30 million from Volunteer Agencies. The recipient country will contribute approximately US$ 2.02 million which includes contributions from the participating banks and the beneficiaries. *Cooperating Institution:* UNDP/OPE.

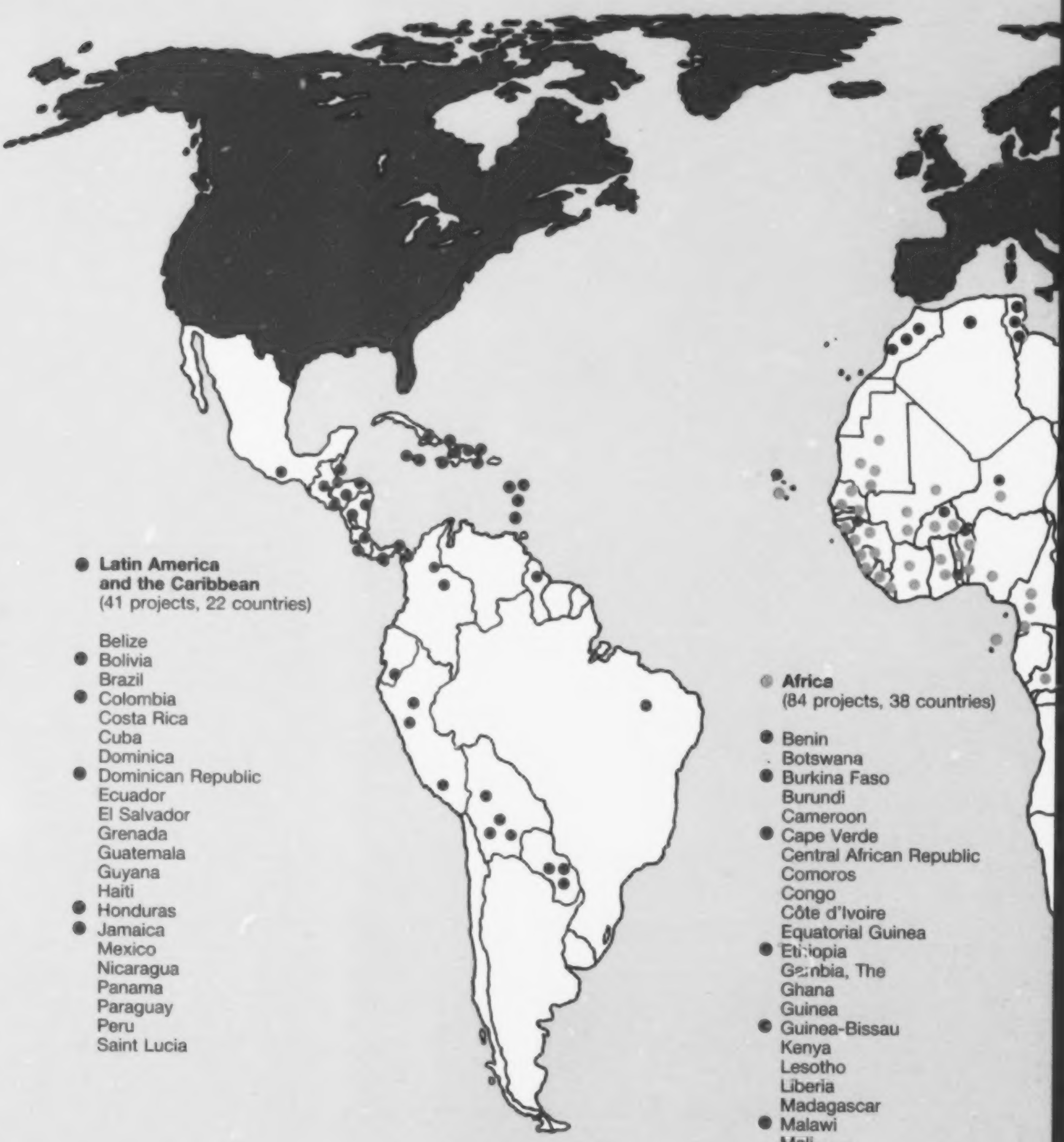
Niger

Programme:
Special Country (c2)
Loan Amount:
SDR 10.25 million
(approximately US$ 13.10 million
from the SRS)
on highly concessional terms
Grant Amount:
SDR 0.70 million
(approximately US$ 0.90 million
from the SRS)

Formulated under the 'country programme' concept of the Special Programme for Sub-Saharan Africa, this IFAD-initiated programme will seek to reduce the vulnerability of the country's agriculture to the effects of drought and desertification. This will be pursued through three sub-programmes which will optimize the use of available water resources. The small-scale irrigation sub-programme along the Niger and Komadougou rivers, covering 1 300 ha, will improve food production for the 3 100 families that will be actively involved. Approximately 1 500 families will participate in the soil and water conservation sub-programme on 2 500 ha of arable land and will assist in the rehabilitation of 500 ha of degraded land. The pastoral development sub-programme around Tahoua and Agadez will support about 2 100 pastoral families by organizing 70 herder groups around pastoral centres, providing them credit for the reconstitution of herds and marketing, animal health care services and establishing cereal banks. All three sub-programmes will be supported by a further sub-programme of applied research and will include a training component. The small-scale irrigation and pastoral development sub-programmes include a credit component, part of which will be specifically earmarked for women. Direct and indirect benefits are expected in increased production and yields, improved environmental stability, rationalized land tenure arrangements, employment opportunities and product marketing and pricing. Special attention will be given to strengthening the initiatives of women in crop and livestock husbandry. *Total cost:* estimated at US$ 20.9 million, of which US$ 1.8 million is cofinanced by UNDP, US$ 0.93 million by WFP, US$ 0.17 million by voluntary agencies and US$ 3.3 million by other sources (under discussion). The recipient country will contribute approximately US$ 0.65 million. *Cooperating Institution:* UNDP/OPE.

Projects approved in 1978-87

● Projects approved during 1987

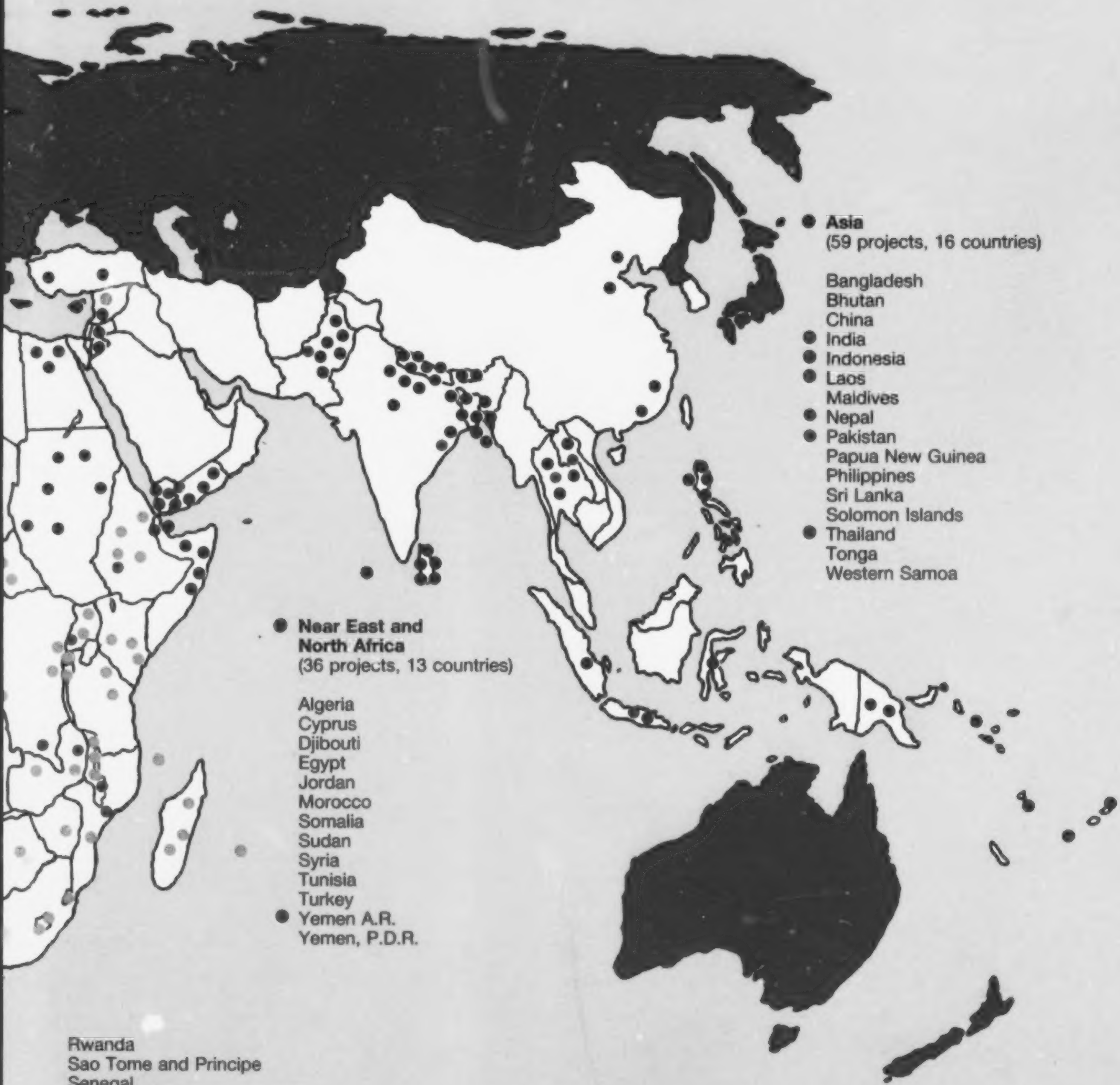


● **Latin America and the Caribbean**
(41 projects, 22 countries)

Belize
● Bolivia
Brazil
● Colombia
Costa Rica
Cuba
Dominica
● Dominican Republic
Ecuador
El Salvador
Grenada
Guatemala
Guyana
Haiti
● Honduras
● Jamaica
Mexico
Nicaragua
Panama
Paraguay
Peru
Saint Lucia

● **Africa**
(84 projects, 38 countries)

● Benin
Botswana
● Burkina Faso
Burundi
Cameroon
● Cape Verde
Central African Republic
Comoros
Congo
Côte d'Ivoire
Equatorial Guinea
● Ethiopia
Gambia, The
Ghana
Guinea
● Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
● Malawi
Mali
Mauritania
Mauritius
● Mozambique
● Niger
Nigeria



● **Asia**
(59 projects, 16 countries)

Bangladesh
Bhutan
China
● India
● Indonesia
● Laos
Maldives
● Nepal
● Pakistan
Papua New Guinea
Philippines
Sri Lanka
Solomon Islands
● Thailand
Tonga
Western Samoa

● **Near East and North Africa**
(36 projects, 13 countries)

Algeria
Cyprus
Djibouti
Egypt
Jordan
Morocco
Somalia
Sudan
Syria
Tunisia
Turkey
● Yemen A.R.
Yemen, P.D.R.

Rwanda
Sao Tome and Principe
Senegal
Sierra Leone
Swaziland
Tanzania
● Togo
● Uganda
● Zaire
● Zambia
Zimbabwe

Pakistan

Project:
Chitral Area Development (c2)
Loan Amount:
SDR 8.7 million
(approximately 11.1 million
from regular resources)
on intermediate terms

This IFAD-initated project, located in one of the most disadvantaged and remote areas of the country, is designed to support the Government's policy of raising agricultural production and living conditions in backward areas. The Chitral area will thus benefit from the provision or upgrading of irrigation, access roads and potable water, strengthened extension and related services such as village organizations and women's organizations, and the improved supply of inputs and enhanced livestock health and production. The target group, consisting of about 22 000 households or 176 000 people, either own less than 2 ha or are landless. The project will lead to an increased output of cereals (at full development in 14 years' time almost doubling to 70 000 mt), fruit, nuts and livestock and livestock products, all in turn reflected in higher demand for inputs, such as fertilizers and improved varieties/breeds, and in employment opportunities. The upgrading of the Chitral-Booni road will attenuate the area's isolation, reduce transport costs for persons and merchandise and facilitate access to health and education services, credit and marketing. The establishment of woodlots and a more accessible water supply, in addition to relieving pressure on resources and improving hygiene, will alleviate the fuelwood and water fetching tasks of the women. The latter will also receive instruction in fruit and vegetable processing, in poultry raising and home gardening. *Total cost:* estimated at US$ 45.8 million, of which US$ 23.5 million is Asian Development Bank (AsDB) cofinancing. The recipient country and beneficiaries will contribute approximately US$ 11.2 million. *Cooperating Institution:* AsDB.

Thailand

Project:
Agricultural Diversification
and People's Irrigation Project
in the North (c2)
Loan Amount:
SDR 7.8 million
(approximately US$ 10.0 million
from regular resources)
on intermediate terms

Focussing on one of the poorest areas of the country, this IFAD-initiated project will establish the first phase of a long-term programme for the technical and institutional strengthening of People's Irrigation Associations (PIAs) in Northern Thailand, an outgrowth of the traditional associations that have existed over 700 years. It will also establish a new focus for the Fund's dialogue with the Government on irrigation development and crop intensification and diversification, making use of traditional local level participatory mechanisms. Technical investments to improve the productivity of People's Irrigation Projects (PIPs) and to promote crop diversification will include small reservoirs for dry season water supplies, diversion weir and canal improvements for more reliable water delivery, agricultural extension and watershed protection. Institutional strengthening will include the establishment of technical and institutional criteria for sub-project selection, improved engineering and design standards, better cooperation between People's Irrigation Associations and a mechanism for the latter to assist in the improvement and protection of their watersheds. Pioneer watershed improvement, based on local initiative and participation, and the linking of irrigation investments with these improvements will contribute to the efficiency, productivity and the long-term viability of existing PIPs. At full development, the project will directly benefit some 8 650 families, in particular, through increased agricultural production and improved prospects for crop diversification. Agricultural incomes and employment opportunities will rise as a result of greater irrigation productivity and contribute to the overall economic progress in the region. *Total cost:* estimated at US$ 18.3 million, of which US$ 3.0 million is OPEC Fund cofinancing. The recipient country will contribute approximately US$ 5.3 million. *Cooperating Institution:* IBRD.

Togo

Project:
Small Ruminants (c2)
Loan Amount:
SDR 4.90 million
(approximately US$ 6.46 million
from regular resources)
on highly concessional terms

The objective of this IFAD-initiated project is to diversify smallholder production and sources of income by developing short-cycle livestock raising. This is a Government priority area, given its promise of the increased availability of animal protein and thus of improved nutrition in rural areas and of substituting for imports. Among the target group - the traditional sheep and goat farmers with, on average, two hectares of land and seven ewes - women will benefit, given their important role in the raising of small ruminants and their claim to part of the revenue from their sale. Emphasis will be placed on providing credit for small family farmers interested in developing improved sheep farms. Village associations for input supply and marketing will be promoted in order to encourage beneficiary participation and ensure the sustainability of project activities. Institutional development will focus on ensuring adequate means for research and training of extension agents. About 74 000 farm families will increase their annual income from small ruminants in the range of CFAF 8 000 to CFAF 20 000 (between 68 to 76%). An additional 975 families specializing in sheep farming will have their animal-related incomes increased from CFAF 200 000 to CFAF 365 000 (50%). By the fifth year of the project, incremental mutton production should reach 3 000 tons annually. *Total cost:* estimated at US$ 11.67 million, of which US$ 0.77 million is provided as a grant by the Fonds d'aide et de coopération (FAC) of France. The recipient country and the beneficiaries will contribute approximately US$ 2.70 million and US$ 2.14 million respectively. *Cooperating Institution:* IDA.

Uganda

Project:
Southwest Region
Agricultural Rehabilitation (c2)
Loan Amount:
SDR 9.1 million
(approximately US$ 12.0 million
from the SRS)
on highly concessional terms

To support the Government's Economic Recovery Programme and within the scope of the SPA, this IFAD-initiated project aims at increasing food production, nutrition and living standards of 300 000 rural families in one of the country's most densely populated areas. To overcome the main constraints to smallholder production, the project includes components such as adaptive research and extension, input supply and distribution, rural road rehabilitation and institution strengthening. Extension will entail training for staff and for farmers generally and for women in particular, given the importance of the latter in food production and marketing. Input supply will be organized in concert with existing agencies and progressively transferred to the private sector. Rural roads will have a multiplier effect on many aspects of rural life, not least in the reduction of costs and the burden of women's work. A development fund will be created to provide support for community development and small-scale entrepreneurs. A total of 28 000 farm families or 196 000 people will benefit from the extension and research components while about 270 000 families or 1.9 million people will benefit from the input supply programme. Virtually all the families living in the project area will benefit from the rural road rehabilitation. *Total cost:* estimated at US$ 27.1 million, of which US$ 10.0 million is IDA cofinancing. The recipient country will contribute approximately US$ 5.1 million. *Cooperating Institution:* IDA.

Yemen A.R.

Project:
Southern Regional
Agricultural Development (c1)
Loan Amount:
SDR 2.0 million
(approximately US$ 2.5 million
from regular resources)
on highly concessional terms

Included under the IDA Southern Regional Agricultural Development Project, this IFAD-initiated and financed Rural Women component is the first concentrated effort to introduce new skills and technologies to rural women in the project area, helping them to increase their agricultural productivity and incomes, reduce their workload, improve family health, and reduce infant and child mortality. Based on the successful IFAD-cofinanced Southern Uplands Rural Development Project II, which has established an effective extension service network in agricultural endeavours and has already taken useful measures to assist rural women, the proposed project will directly benefit 10 000 poor families (56 000 people) in the Governorates of Taiz and Ibb. The construction of nine women's extension centres and a training and information centre, and the new strategy of employing full-time female extension agents, selected by the Local Councils for Cooperative Development, will help to overcome the cultural barriers and logistic difficulties of providing women farmers with the tested technological packages developed by the IFAD-cofinanced Agricultural Research and Development Project in Yemen A.R. Appropriate technologies will improve the productivity of rural women's labour, reduce the time spent on household tasks and increase time for other activities. Seventy-five percent of project inputs are devoted to agricultural activities for the improvement of the farm production of fruit, vegetables, cereals, livestock and poultry, and training in basic health care; training in child care and literacy will also be provided. *Total cost:* estimated at US$ 28.5 million, of which US$ 12.3 million is IDA cofinancing and US$ 5.8 million a grant from the SDC. The recipient country will contribute approximately US$ 7.9 million. *Cooperating Institution:* IDA.

Zaire

Project:
South Shaba
Agricultural Development (c2)
Loan Amount:
SDR 6.05 million
(approximately US$ 7.6 million
from regular resources)
on highly concessional terms

This IFAD-initiated project seeks to increase food production in the South Shaba region to meet the regional deficit, especially for maize, rehabilitate cassava cultivation and encourage diversification into other crops to bring about a positive impact on family nutrition. The project will also contribute to alleviating the burden on women through the introduction of appropriate technology and services and raising rural incomes and living standards. These objectives will be achieved through (i) the supply of agricultural inputs to smallholders - seeds, fertilizers and tools; (ii) the strengthening of agricultural extension and training by Non-governmental Organizations (NGOs); (iii) supporting farming systems research and animal traction; (iv) the supply of short- and medium-term credit to smallholder associations and rural enterprises for agricultural inputs and machinery, farm and village infrastructure and equipment, animal traction, and marketing facilities; (v) the rehabilitation and maintenance of rural roads. An innovative feature of the project is the implementation of an existing cost recovery mechanism, whereby farmers will pay for both agricultural inputs and extension. The strengthening of private voluntary organizations, credit unions and village associations will improve the performance of these institutions and will help to establish a system of non-governmental, sustainable extension and input supply and provide a replicable model of partnership between public, private and non-governmental actors to foster agricultural development. By the end of the implementation period, about 38 000 farm families will be reached directly by adopting technological improvements and some 60 000 families will indirectly benefit from the infrastructure and marketing activities. At full development, crops promoted by the project will bring about an incremental production of approximately 98 500 mt. *Total cost:* estimated at US$ 13.9 million, of which US$ 4.3 million is IDA cofinancing. The recipient country and the beneficiaries will contribute approximately US$ 2.0 million. *Cooperating Institution:* IDA.

Zambia

Project:
Smallholder Services
Rehabilitation (c2)
Loan Amount:
SDR 16.2 million
(approximately US$ 20.5 million -
SDR 9.1 million or
US$ 11.5 million
from regular resources
and SDR 7.1 million
or US$ 9 million from SRS)
on highly concessional terms

Initiated by IFAD and financed under the regular programme and the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, this project aims to expand and improve the agricultural services network to meet more effectively the needs of smallholders, increase the availability of agricultural supplies, assist marginal and subsistence farmers, the majority of whom are women, to enter the market economy and improve their productivity, incomes, food security and standard of living. It will also seek to tap the under-utilized resources in the smallholder sector, reduce national dependence on food imports and save foreign exchange funds. These goals will be attained through project components at the national level and at selected localities, linked in a common strategy fundamental to which is the rehabilitation of services provided through the cooperative movement so that it can better serve its existing membership of smallholders and expand to include the poorer segment of the smallholder population. Components will include the upgrading of input supply and credit services, promotion of farmers' groups, improvement of feeder roads, support to agricultural extension and technical assistance, a Development Fund to facilitate the expansion of project operations and a Project Facilitation Unit. Women farmers will be fully integrated in all development planning and activities and have equal access to all project services. The project will benefit the membership of the cooperative movement, now 150 000 smallholders, expanding at a rate of 10 000 per annum, and, in addition, will expect to reach 27 000 farmers through its area-based components by the seventh year, farmers who in the past have existed mostly below the subsistence level. *Total costs:* estimated at US$ 25.7 million, of which a gap of US$ 3.5 million is expected to be filled in the course of project implementation. A project account will be established to receive reimbursement from the beneficiaries for purchase of farm input commodities and subsequently this local currency fund will be used to contribute towards the local costs of the project. The recipient country and beneficiaries will contribute approximately US$ 1.7 million. *Cooperating Institution:* IDA.

LIST OF PROJECTS APPROVED DURING 1978-87

Loan No.	Country	Name of Project	Original Amount of(1)	Date of Approval
1978			**Loan (US$m)**	
1 SRI	Sri Lanka	Kirindi Oya Irrig. & Settlement(2)	12.0	12 April
2 TAN	Tanzania, United Republic of	Mwanza-Shinyanga Rural Development	12.0	13 April
3 GUY	Guyana	Black Bush Irrigation	10.0*	24 October
4 HAI	Haiti	Cul-de-Sac Irrigation & Agric. Dev	3.5	24 October
5 THA	Thailand	Second Northeast Thailand Irrigation	17.5*	24 October
6 ECU	Ecuador	Fishery Development	5.8*	24 October
7 CPV	Cape Verde	Assomada Integrated Agricultural Development	3.82	11 December
9 BAN	Bangladesh	Pabna Irrigation and Rural Development	30.0	11 December
8 PHI	Philippines	Magat River Multipurpose, Stage II (Irrigation)	10.0*	12 December
10NEP	Nepal	Integrated Rural Dev. Project (Sagarmatha Zone)	13.0	12 December
1979			**(SDR m)**	
11MG	Madagascar	Mangoky Agricultural Development	5.0	26 March
12SO	Somalia	Central Rangelands Development	7.0	26 March
13YE	Yemen A.R.	Tihama Development Project III (Wadi Mawr)	9.3	26 March
14CA	Central African Republic	Livestock Development	1.95	27 March
15AF	Afghanistan(3)	Agricultural and Rural Development	9.8	27 June
16BO	Bolivia	Omasuyos-Los Andes Rural Development	3.15*	27 June
17MO	Morocco	Agricultural Credit	19.6*	27 June
18PA	Pakistan	Small Farmers' Credit	23.75	27 June
19PG	Paraguay	Programme for Agricultural and Livestock Expansion	5.9*	27 June
20SU	Sudan	Southern Region Agriculture	11.7	27 June
21SL	Sierra Leone	Magbosi Integrated Agric. Dev.	9.6	18 September
22LA	Laos	Casier-Sud Pioneer Agriculture	4.7	18 September
23IN	India	Bhima Command Area Development	38.5	18 September
24BU	Burundi	East-Mpanda Rural Development	11.3	18 December
25KE	Kenya	Second Integrated Agric. Development	13.0	18 December
26SE	Senegal	Integr. Rural Dev. of M'Bour-Louga	10.4	18 December
27SO	Somalia	Bay Region Agricultural Development	6.25	18 December
28DO	Dominican Republic	Consolidation and Dev. of Rural Settlement	9.3*	19 December
29HO	Honduras	Rural Development Project for the Western Region	7.7	19 December
30NI	Nicaragua	Agric. and Indust. Rehabilitation Prog.	9.3	19 December
31BA	Bangladesh	Fertilizer Sector Programme	19.45	19 December
32IN	India	Rajasthan Command Area Dev. and Settlement	42.7	19 December
33PA	Pakistan	South Rohri Fresh Groundwater Irrig.	12.4	19 December
1980				
34GH	Ghana	Volta Region Agric. Development	9.55	6 May
35ID	Indonesia	Smallholder Cattle Development	20.8*	6 May
36ME	Mexico	Oaxaca Rural Development	17.45**	6 May
37NG	Niger	Second Maradi Rural Development	9.7	7 May
38PE	Peru	Credit for Small Farmers on the Highlands	9.5*	7 May
39SU	Sudan	New Halfa Irrigation Rehab.	11.95	7 May
40ET	Ethiopia	Second Agric. Minimum Package	13.9	7 May
41BA	Bangladesh	Small Farmer Agricultural Credit	17.2	16 September
42CM	Cameroon	North West Rural Development	9.1	16 September
43DA	Dominica	Agric. Credit for Food Production and Related Services	1.15	16 September
44MR	Mauritania	Gorgol Irrigation	7.6	16 September
45TH	Thailand	National Agric. Research Project (Adaptive Research for Rainfed Agriculture)	11.4*	16 September
46YA	Yemen A.R.	Southern Uplands Rural Dev. Project Phase II	10.6	17 September
47ZR	Zaire	Smallholder Maize	12.15	17 September
48PA	Pakistan	Barani Area Development	9.8	3 December
49IN	India	Sundarban Development	13.35	3 December
50BH	Bhutan	Small Farmer Dev. and Irr. Rehab.	5.45	4 December
51BR	Brazil	Ceara Second Rural Development	15.6**	4 December
52CU	Cuba	Camalote Rural Development	11.05*	4 December
53DJ	Djibouti	Artisanal Fisheries Pilot Development	0.978	4 December
54EG	Egypt	West Beheira Settlement	21.8	4 December
55LE	Lesotho	Agricultural Marketing and Credit	4.85	4 December
56GU	Guinea	Siguiri Rural Development	9.85	5 December
57NE	Nepal	Small Farmer Development	9.8	5 December
58SR	Sri Lanka	Anuradhapura Dry Zone Agriculture	11.35	5 December
59TN	Tunisia	Dev. Proj. of Small & Medium-Size Farms in Governorates of Kef and Siliana	14.7*	5 December
60YD	Yemen, P.D.R.	Agricultural Support Services	7.7	5 December

Loan No.	Country	Name of Project	Original Amount of (1) Loan (SDR m)	Date of Approval
1981				
61BE	Benin	Borgou Province Rural Development	11.0	22 April
62CH	China	Northern Pasture Livestock Development	28.7	22 April
63LI	Liberia	Smallholder Rice Seed	6.7*	22 April
64SL	Sierra Leone	Northern Integr. Agric. Dev. Project II (NIADP II)	4.9	22 April
65UV	Burkina Faso	Rural Development Project in the Eastern ORD	11.9	22 April
66ZA	Zambia	Eastern Province Agricultural Dev.	9.0*	22 April
67JO	Jordan	Cooperative Dev. of Rainfed Agric.	9.25*	8 September
68YD	Yemen, P.D.R.	Wadi Beihan Agricultural Development	4.9	8 September
69BU	Burundi	Integr. Rural Development/Ngozi III	6.25	8 September
70MW	Malawi	Dowa West Rural Development	9.6	8 September
71GR	Grenada	Artisanal Fisheries Development	1.4*	8 September
72PG	Paraguay	Integr. Rural Dev. Project in the Dept. of Paraguari	3.5*	8 September
73BA	Bangladesh	Southwest Rural Development	20.45	8 September
74ID	Indonesia	Sulawesi Paddy Land Development	30.05	8 September
75WS	Western Samoa	Livestock Development	1.4	9 September
76BT	Botswana	Arable Land Development Programme - Phase I Project (ALDEP I)	6.75*	17 December
77GA	Gambia	Jahaly and Pacharr Smallholder	4.05	17 December
78MT	Mauritius	Small-scale Agricultural Development	5.25*	17 December
79RW	Rwanda	Byumba Rural Development	9.08	17 December
80UG	Uganda	Agricultural Reconstruction Progr. in Northern and Eastern Uganda	16.55	17 December
81IN	India	Madhya Pradesh Medium Irrigation	21.9	17 December
82NE	Nepal	Command Area Development	9.8	17 December
83PA	Pakistan	On-Farm Water Management	10.5	17 December
84PH	Philippines	Smallholder Livestock Development	7.1*	17 December
85SR	Sri Lanka	Coconut Development	7.1	17 December
86BO	Bolivia	Chuquisaca North Agricultural Dev.	11.7*	17 December
87CO	Colombia	Rural Development Project Arauca II	6.8*	17 December
88HA	Haiti	Food Crops Intensification	12.0	17 December
89NI	Nicaragua	Integr. Rural Dev. Project for the Pronorte Region	9.6*	17 December
90PM	Panama	Agricultural Credit	7.4**	17 December
1982				
91MG	Madagascar	Second Village Livestock and Rural Development	7.0	30 March
92MR	Mauritania	Gorgol Farmers' Training	1.2	31 March
93MZ	Mozambique	National Programme for Food Prod. in the Cooperative and Family Sector	17.7	31 March
94ID	Indonesia	Seventeenth Irr. (East Java Province)	21.8*	31 March
95SY	Syria	Southern Region Agricultural Dev.	15.7*	31 March
96TU	Turkey	Erzurum Rural Development	17.2**	31 March
97CR	Costa Rica	Agricultural Credit	4.4**	31 March
98DO	Dominican Republic	Small-scale Food Producers' Dev.	9.0*	31 March
99HO	Honduras	Santa Barbara Rural Development	10.85*	14 September
100JA	Jamaica	Small Farmers' Credit	8.9*	14 September
101BE	Benin	Atacora Province Rural Dev.	8.25	14 September
102UV	Burkina Faso	Hauts Bassins/Volta Noire Agricultural Development	9.9	14 September
103ML	Mali	Village Development Fund	8.05	14 September
104ZA	Zambia	North Western Province Area Dev.	11.95	14 September
105YA	Yemen A.R.	Agricultural Research and Dev.	5.25	15 September
106YD	Yemen, P.D.R.	Third Fisheries Development	4.45	15 September
107CH	China	Hebei Agricultural Development	22.9*	15 September
108PH	Philippines	Communal Irrigation Development	10.8*	15 September
109SR	Sri Lanka	Kirindi Oya Irrigation & Settlement	5.5	16 September
110BA	Bangladesh	Northwest Rural Development	13.7	9 December
111SR	Sri Lanka	Badulla Rural Development	12.95	9 December
112MS	Maldives	Second Fisheries	1.9	9 December
113PN	Papua New Guinea	Artisanal Fisheries	9.05*	9 December
114EG	Egypt	Minya Agricultural Development	23.55	9 December
115JO	Jordan	Small Farmers' Credit	11.3*	10 December
116PE	Peru	Alto Mayo Rural Development	17.9*	10 December
1983				
117CG	Congo	La Cuvette Artisanal Fisheries	4.25*	20 April
118GB	Guinea-Bissau	Tombali Rice Development	6.45	21 April
119MG	Madagascar	Highlands Rice	12.85	21 April
120MW	Malawi	Smallholder Fertilizer	8.5	21 April
121SZ	Swaziland	Smallholder Credit and Marketing	5.7*	21 April
122TO	Togo	Notsé Rural Development	7.4	21 April
123ZI	Zimbabwe	National Agricultural Extension and Research	16.7*	21 April
124IN	India	Second Uttar Pradesh Public Tubewells	32.0	21 April
125TH	Thailand	Agricultural Credit	18.75*	21 April
126HA	Haiti	Northern Region Rural Development	4.65	21 April
127MO	Morocco	Central Haouz Irrigation	15.7*	21 April
128SA	St. Lucia	Small Farmers' Agricultural Dev.	2.0*	12 September
129TA	Tonga	Agricultural Credit	0.95	12 September
130LA	Laos	Agricultural Production	6.6	12 September
131ET	Ethiopia	Agricultural Credit	10.45	12 September
132KE	Kenya	National Extension	5.6	13 September
133ML	Mali	Mali Sud II Rural Development	12.1	13 September
134SU	Sudan	Northern Region Agric. Rehabil.	9.5	13 September
135EC	Ecuador	Sur de Loja Integr. Rural Dev.	5.15*	13 December
136PM	Panama	Rural Development for the Guaymi Communities	8.5**	13 December

Loan No.	Country	Name of Project	Original Amount of (1) Loan (SDR m)	Date of Approval
1983 contd.				
137BA	Bangladesh	Small-scale Flood Control, Drainage and Irrigation	10.4	13 December
138PA	Pakistan	Small Farmers' Credit II	23.2	13 December
139TN	Tunisia	Sidi Bouzid Irrigation	6.9**	13 December
140CM	Cameroon	Second Western Province Rural Dev.	13.7*	13 December
1984				
141CA	Central African Republic	Ombella Mpoko Rural Development	3.15	3 April
142CS	Comoros	Rural Services	3.15	3 April
143TU	Turkey	Agricultural Extension and Applied Research	9.7**	3 April
144GA	Gambia, The	Agricultural Development Project II	4.75	4 April
145IC	Côte d'Ivoire	Artisanal Fisheries Development Project in the Aby Lagoon	2.7*	4 April
146LI	Liberia	Bong County Agricultural Development Project II	5.5	4 April
147SM	Solomon Islands	Rural Services	1.45	4 April
148CY	Cyprus	Smallholder Sheep and Goat Production	4.65**	4 April
149BO	Bolivia	Cotagaita-San Juan del Oro Agric. Development	11.35	5 April
150RW	Rwanda	Birunga Maize	3.75	11 September
151ST	Sao Tome and Principe	Artisanal Fisheries	2.1	11 September
152SL	Sierra Leone	Agricultural Sector Support	5.1	11 September
153CH	China	Rural Credit	24.25	11 September
154GM	Guatemala	Generation and Transfer of Agricultural Technologies and Seed Production	4.95*	11 September
155SU	Sudan	Stock Route	5.95	12 September
156YA	Yemen A.R.	Central Highlands Agricultural Development	3.9	12 September
157EG	Egypt	Fayoum Agricultural Development	10.1*	14 September
158MW	Malawi	Kasungu Agricultural Development	13.65	12 December
159UG	Uganda	Agricultural Development	14.6	12 December
160ZR	Zaire	Lulua Agricultural Development	6.55	12 December
161BA	Bangladesh	Grameen Bank	23.6	12 December
162PA	Pakistan	Gujranwala Agricultural Development	8.65	12 December
163ES	El Salvador	Agricultural Credit for Phase III of a Programme	5.05*	12 December
164PG	Paraguay	Agricultural Credit	7.1**	12 December
165SO	Somalia	North-West Region Agricultural Development Project - Phase II	7.05	12 December
1985				
166NE	Nepal	Second Small Farmer Development	15.15	2 April
167EQ	Equatorial Guinea	Agricultural Development Project on the Mainland	1.65	2 April
168ET	Ethiopia	Rehabilitation Programme for Drought-Affected Areas	13.05	2 April
169MR	Mauritania	Small-scale Irrigation	3.5	3 April
170GU	Guinea	Gueckedou Agricultural Development	5.05	4 September
171ID	Indonesia	Second Smallholder Cattle Development	11.6*	5 September
172BL	Belize	Toledo Small Farmers' Development	2.1*	5 September
173DJ	Djibouti	Artisanal Fisheries Development Project - Phase II	1.15	5 September
174SY	Syria	National Agricultural Extension	7.55**	5 September
175TN	Tunisia	Sidi Bouzid Rainfed Agric. Development	6.05**	5 September
176TZ	Tanzania, United Republic of	Southern Highlands Smallholder Food Crop	14.5	5 September
177NR	Nigeria	Multi-State Agricultural Development	12.05*	5 December
178BH	Bhutan	Tashigang and Mongar Area Development	4.45	5 December
179SR	Sri Lanka	Kegalle Rural Development	7.5	5 December
180PM	Panama	Agricultural Credit Project II	5.6**	5 December
181SU	Sudan	Western Savannah - Phase II	9.45	6 December
182SO	Somalia	Livestock Health Services	5.9	6 December
1986				
183CR	Costa Rica	Northern Zone Agricultural Credit Dev.	4.85**	29 April
184DA	Dominica	Integrated Rural Development	1.3*	29 April
185PE	Peru	Cuzco-Arequipa Highlands Rural Dev.	6.15*	29 April
186CA	Central African Republic	National Livestock	3.3	30 April
187CG	Congo	Kindamba Food Crops Development	3.6*	30 April
188KE	Kenya	Animal Health Services Rehabilitation Programme	7.05	29 April
189IC	Côte d'Ivoire	Dabakala/Katiola Rural Development	5.65**	17 September
190GY	Guyana	East Bank Essequibo Development	5.0*	18 September
191NE	Nepal	Aquaculture Development	4.2	18 September
192PN	Papua New Guinea	South Simbu Rural Development	3.0*	18 September
193MO	Morocco	Abda Plain Rural Development	6.8*	18 September
194BA	Bangladesh	Marginal and Small Farm Systems Crop Intensification	8.95	2 December
195CH	China	Guangdong Integrated Freshwater Fish-Farming	10.15*	3 December
196PH	Philippines	Highland Agriculture Development	3.9*	3 December
197AL	Algeria	Cereal and Livestock Smallholder Dev. Project in the Wilaya of Tiaret	8.45**	3 December
198GH	Ghana	Smallholder Rehabilitation and Dev. Programme	5.9(4)	3 December
199LE	Lesotho	Local Initiatives Support	4.05	3 December

Loan No.	Country	Name of Project	Original Amount of[1]	Date of Approval
1987			**Loan (SDR m)**	
200ZR	Zaire	South Shaba Agric. Development	6.05	28 April
201TH	Thailand	Agricultural Diversification and People's Irrig. Project in the North	7.80*	28 April
202YA	Yemen A.R.	Southern Regional Agricultural Dev.	2.00	29 April
203HO	Honduras	Intibucá-La Paz Rural Development	4.85*	29 April
204CO	Colombia	Boyacá-Santander Integrated Rural Dev.	7.15**	29 April
205ET	Ethiopia	Fourth Livestock Development	4.50	9 September
206ZA	Zambia	Smallholder Services Rehabilitation	9.10[5]	9 September
207LA	Laos	Rural Credit	3.50	10 September
208NE	Nepal	Production Credit for Rural Women	4.75	10 September
209PA	Pakistan	Chitral Area Development	8.70*	10 September
210BE	Benin	Second Borgou Rural Development	7.95	2 December
211CV	Cape Verde	Artisanal Fisheries Development	4.35	2 December
212MW	Malawi	Smallholder Agricultural Credit	4.95	2 December
213TO	Togo	Small Ruminants	4.90	2 December
214IN	India	Orissa Tribal Development	9.25	3 December
215ID	Indonesia	Income-Generating Project for Marginal Farmers and Landless	10.60*	3 December
216DO	Dominican Republic	South Western Region Small Farmers	6.10*	3 December
217JA	Jamaica	Hillside Farmers Support	5.10*	3 December
218BO	Bolivia	Chuquisaca South Rural Development	4.20	3 December

(1) Loans approved in 1978 were denominated in US dollars but all subsequent loans have been denominated in Special Drawing Rights (SDR).

(2) Supplementary financing of SDR 5.5 million to the project was approved by the Executive Board in September 1982 (under loan 109 SR).

(3) The approval for the loan to the project for Afghanistan was rescinded by the Executive Board as of 31 December 1981.

(4) The loan amount for this project totals SDR 10.3 million. SDR 5.9 million is financed under IFAD's Regular Programme and SDR 4.4 million is financed from the Special Programme.

(5) The loan amount for this project totals SDR 16.2 million. SDR 9.10 million is financed under IFAD's Regular Programme and SDR 7.10 million is financed from the Special Programme.

Loans are on highly concessional terms except for those marked (*) which are on intermediate terms, and (**) which are on ordinary terms.

A farmer and his draught animals transport poles for shed construction under the Small Farmer Development Project in Nepal.

LIST OF PROJECTS APPROVED UNDER IFAD'S SPECIAL PROGRAMME FOR SUB-SAHARAN AFRICAN COUNTRIES AFFECTED BY DROUGHT AND DESERTIFICATION

Loan No.	Country	Name of Project	Original Amount of Loan (SDRm)	Date of Approval
1986				
SRS 001 MR	Mauritania	Agricultural Rehabilitation Programme	4.0	30 April
SRS 002 GH	Ghana	Smallholder Rehabilitation and Dev. Programme	4.4(1)	3 December
SRS 003 ET	Ethiopia	Special Country Programme	9.3	3 December
SRS 004 ML	Mali	Development Project in the Zone Lacustre	4.85	3 December
SRS 005 SU	Sudan	Northern Province Irrigation Rehab.	8.05	3 December
1987				
SRS 006 GB	Guinea-Bissau	Rural Incentives Programme	3.50	28 April
SRS 007 ZA	Zambia	Smallholder Services Rehabilitation	7.10(2)	9 September
SRS 008 MZ	Mozambique	Second Agricultural Rehabilitation	11.85	10 September
SRS 009 NG	Niger	Special Country Programme	10.25	3 December
SRS 010 UG	Uganda	Southwest Region Agric. Rehabilitation	9.10	3 December
SRS 011 BF	Burkina Faso	Special Programme for Soil and Water Conservation and Agroforestry in the Central Plateau	7.00	4 December

(1) The loan amount for this project totals SDR 10.3 million. SDR 5.9 million is financed under IFAD's Regular Programme and SDR 4.4 million is financed from the Special Programme

(2) The loan amount for this project totals SDR 16.2 million. SDR 9.10 million is financed under IFAD's Regular Programme and SDR 7.10 million is financed from the Special Programme

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

FINANCIAL STATEMENTS

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Report of the External Auditor

Statement of Revenue and Expenses

For the years ended 31 December 1987 and 1986

(Expressed in thousands of United States Dollars)

Appendix A

	1987	1986
Revenue		
Income from investments	68 445	68 221
Income from loans	24 682	18 947
	93 127	87 168
Expenses		
Staff salaries and benefits	12 098	10 117
Other operational and administrative	5 061	4 386
Cooperating institutions and consultants	10 038	7 252
Governing Council & Executive Board and other official meetings	2 023	1 394
Exchange loss on operations (Note 2 (c-v))	345	330
Total Expenses	29 565	23 479
Excess of revenue over expenses	63 562	63 689
Accumulated surplus at 1 January	361 968	303 279
Transfer to General Reserve (Note 10)	(5 000)	(5 000)
Accumulated Surplus at 31 December	420 530	361 968

Balance Sheet

31 December 1987 and 31 December 1986

(Expressed in thousands of United States Dollars)

Appendix B

Assets	1987	1986
Unrestricted cash in banks	3 950	20 683
Unrestricted investments (Notes 2 (a) and 3)		
Government and government guaranteed obligations	446 120	369 177
Time deposits and other obligations of banks	496 120	381 973
	942 240	751 150
Cash and Investments subject to restriction (Note 4)	35 691	35 374
Promissory notes of contributors (Note 6)	799 870	730 588
Amounts receivable from contributors (Note 7)	218 534	352 606
Other receivables		
Accrued income on loans and investments	31 316	29 715
Miscellaneous	1 690	1 462
	33 006	31 177
Loans (Note 8)		
Approved loans less cancellations and the adjustment for movement in value of total SDR loans in terms of US Dollars (Appendix F and Note 8): **1987 - US$ 2 791 861** **1986 - US$ 2 303 143**		
Effective Loans	2 616 230	2 137 339
Less: Undisbursed balance of effective loans	1 146 047	1 056 008
Repayments	70 657	52 156
Loans outstanding	1 399 526	1 029 175
	3 432 817	2 950 753

Liabilities, contributions, accumulated surplus and reserve	1987	1986
Liabilities		
Payable to cooperating institutions	3 889	3 104
Other payables and accrued liabilities	7 322	5 378
Undisbursed grants (Note 9)	14 920	13 672
Undisbursed grants of Belgian Survival Fund (Note 4)	13 888	8 792
Advances (Note 4)	12 501	10 219
Due to Special Programme for Africa (Note 4)	947	8 114
	53 467	49 279
Contributions, accumulated surplus and reserve		
Members' contributions (Appendix E and Note 5)	2 531 789	2 438 768
Special contributions	20 113	20 104
Accumulated Surplus	420 530	361 968
	2 972 432	2 820 840
Less: Grants (Notes 2 (a) and 9)	112 083	103 661
	2 860 349	2 717 179
Exchange Adjustment (Note 2 (c-iv))	459 001	129 295
General Reserve (Note 10)	60 000	55 000
	3 379 350	2 901 474
	3 432 817	2 950 753

Statement of Changes in Financial Position — Appendix C

For the years ended 31 December 1987 and 1986

(Expressed in thousands of United States Dollars)

	1987	1986
Cash Provided		
Operations		
Excess of revenue over expenses	63 562	63 689
Income credited or expenses charged on an accrual basis, not providing or requiring cash outlay in the current year	900	2 632
Cash provided by operations	64 462	66 321
Payments from Member States, representing cash received during period, excluding the exchange difference on the receivables at period end:		
— Initial Contributions	—	22
— Promissory Notes drawn down	132 333	157 796
— Non-convertible currency Promissory Notes encashed	696	—
— First Replenishment Contributions	2 739	1 951
— Second Replenishment Contributions	23 012	7 258
— Loan Repayments	18 162	12 178
— For Special Programme for Africa	947	9 110
— Belgian Survival Fund	5 340	3 967
— For Specific Projects or Research Programmes	5 213	23 009
— For other Fund-related activities	2 789	725
Payments from others		
— Promissory Notes drawn down	4 000	5 440
— Special Contributions	9	—
— For other Fund-related activities	—	40
	195 240	221 496
	259 702	287 817
Cash Used		
Loan disbursements	212 234	223 522
Grant disbursements	7 174	7 697
Loan Repayments under Participation Agreement	74	359
— Exchange adjustment on Participation Agreement Funds	(38)	(13)
Belgian Survival Fund	1 841	2 725
— Exchange adjustment on Belgian Survival Fund	(2 441)	(2 128)
For Special Programme for Africa	8 114	996
For Specific Projects or Research Programmes	6 299	5 471
— Exchange adjustment on Specific Projects	(1 031)	(161)
For other Fund-related activities	1 285	906
— Exchange adjustment on other Fund-related activities	(26)	(2)
	233 485	239 372
Net Cash Provided	26 217	48 445
Exchange adjustment[1]	148 457	90 283
Increase in the value of Cash and Investments shown in the Balance Sheet	174 674	138 728

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(1) The exchange adjustment of US$ 148 457 000 (1986-US$ 90 283 000) relates to the currencies held in cash and investments revalued into US Dollars at 31 December 1987. This amount is increased by the exchange adjustment on loans outstanding US$ 176 279 000 (1986-US$ 88 668 000) and the exchange adjustment on Members' receivables US$ 79 656 000 (1986-US$ 54 105 000) less the exchange adjustment on Members' contributions US$ 74 686 000 (1986-US$ 51 644 000) which results in a net amount of US$ 329 706 000 (1986-US$ 181 412 000) as shown by the movement in the Exchange Adjustment account in the Balance Sheet from 31 December 1986 to 31 December 1987 (see Note 2(c-iv) in Appendix G).

Statement of Resources Available foı Commitment — Appendix D

31 December 1987 and 31 December 1986

(Expressed in thousands of United States Dollars)

		1987	1986
Assets in freely convertible currencies			
Cash		3 950	20 683
Investments		942 240	751 150
Promissory notes — Member States		781 971	711 333
Promissory note — special contribution		10 560	14 560
Amounts receivable from contributors:			
— Initial Contribution instalments		83 191	83 188
— First Replenishment instalments		50	50
— Second Replenishment instalments		134 934	20 822
Other receivables		33 616	31 975
		1 990 512	1 633 761
Less			
Payables and accrued liabilities		11 211	8 482
Undisbursed effective loans	1 146 047		1 056 008
Approved loans signed but not yet effective	77 317		86 724
Undisbursed grants	8 972[1]		10 653[1]
General Reserve	60 000		55 000
		1 292 336	1 208 385
Second Replenishment instalments receivable		134 934	—
Initial Contribution instalments overdue	83 191		83 188
First Replenishment instalments overdue	50		50
Drawdowns on Initial Contribution promissory notes which have not been paid (Notes 2 (b), 6 and 7)	44 075		45 258
Drawdowns on First Replenishment promissory notes which have not been paid	28 521	12 261	
Promissory notes of a Member State which have not yet been drawn down (Note 2 (b))	16 420		22 640
		172 257	163 397
		1 610 738	1 380 264
Resources available for commitment		379 774	253 497
As at the year end agreements had not been signed for the following for which resources require to be set aside:			
Loans		98 313	79 079
Grants		2 502[2]	—[2]

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(1) Excludes the equivalent of US$ 2 173 000 (1986 - US$ 1 409 000) for research grants approved for payment from non-convertible currency contributions of Member States.

(2) Excludes the equivalent of US$ 1 272 000 (1986 - US$ 1 161 000) for research grants approved for payment from non-convertible currency contributions of Member States.

Statement of Members' and Special Contributions[1]
31 December 1987 and 31 December 1986

Initial Contributions		First Replenishment Contributions				
Members		**Instruments Deposited**[2]		**Payments** - US$ Equivalent		Total
Category I	US$ Equivalent	Currency & Amount	US$ Equivalent	Cash	Promissory Notes	
Australia	**7 542 428**	A$ 8 965 000	**6 330 494**	3 076 318	3 254 176	6 330 494
Austria	**4 800 000**	AS 74 550 000	**5 973 925**	2 443 665	3 530 260	5 973 925
Belgium	**16 647 946**	BF 465 240 000	**8 862 324**	8 862 324		8 862 324
Canada	**28 806 066**	C$ 42 000 000	**31 530 201**	14 471 739	17 058 462	31 530 201
Denmark	**7 500 000**	DKR 60 000 000	**8 850 329**	3 656 886	5 193 443	8 850 329
Finland	**3 138 931**	FMK 24 000 000	**5 562 859**	2 354 758	3 208 101	5 562 859
France	**18 940 905**	FF 229 440 000	**38 827 907**	16 141 705	22 686 202	38 827 907
Germany, F.R.	**55 000 000**	DM 116 820 000	**66 567 163**	27 528 581	39 038 582	66 567 163
Ireland	**1 166 462**	£IR 635 000	**852 553**	852 553		852 553
Italy	**25 000 000**	US$ 38 700 000	**38 700 000**	38 700 000		38 700 000
Japan	**52 189 527**	JY 12 710 331 000	**89 952 682**	35 391 261	54 561 421	89 952 682
Luxembourg	**410 812**	LF 13 032 000	**261 009**	261 009		261 009
Netherlands	**50 459 504**	FL 98 230 000	**48 581 724**	23 733 409	24 848 315	48 581 724
New Zealand	**1 649 761**	NZ$ 2 083 800	**1 156 366**	1 097 287	59 079	1 156 366
Norway	**24 786 946**	NKR 181 337 750	**27 061 983**	27 061 983		27 061 983
Spain	**2 000 000**	US$ 2 000 000	**2 000 000**	2 000 000		2 000 000
Sweden	**26 430 124**	SKR 148 280 000	**24 741 403**	11 242 810	13 498 593	24 741 403
Switzerland	**12 645 019**	SWF 28 440 000	**19 478 805**	7 747 305	11 731 500	19 478 805
United Kingdom	**27 450 230**	£ 12 901 127	**21 833 561**	9 077 391	12 756 170	21 833 561
United States	**200 000 000**	US$ 180 000 000	**180 000 000**	84 960 000	95 040 000	180 000 000
Sub-total, Category I	**566 564 661**		**627 125 288**	**320 660 984**	**306 464 304**	**627 125 288**

Statement of Members' and Special Contributions[1]
31 December 1987 and 31 December 1986

Initial Contributions		First Replenishment Contributions*				
Members		**Instruments Deposited**[2]		**Payments** - US$ Equivalent		Total
Category II*	US$ Equivalent	Currency & Amount	US$ Equivalent	Cash	Promissory Notes	
Algeria	**10 000 000**	US$ 15 580 000	**15 580 000**	6 232 000	9 348 000	15 580 000
Gabon	**500 000**	US$ 801 000	**801 000**	801 000		801 000
Indonesia	**1 250 000**	US$ 1 909 000	**1 909 000**	1 909 000		1 909 000
Iran**	**124 750 000**					
Iraq**	**20 000 000**	US$ 31 099 000	**31 099 000**		31 099 000	31 099 000
Kuwait	**36 000 000**	US$ 56 041 000	**56 041 000**	26 451 352	29 589 648	56 041 000
Libyan Arab Jamahiriya	**20 000 000**					
Nigeria	**26 000 000**	US$ 40 459 000	**40 459 000**	26 857 333	13 601 667	40 459 000
Qatar**	**9 000 000**	US$ 13 980 000	**13 980 000**		13 980 000	13 980 000
Saudi Arabia	**105 500 000**	US$ 155 618 000	**155 618 000**	155 618 000		155 618 000
United Arab Emirates	**16 500 000**	US$ 25 680 000	**25 680 000**	4 877 680	20 802 320	25 680 000
Venezuela	**66 000 000**	US$ 38 489 000	**38 489 000**	18 166 808	20 322 192	38 489 000
Sub-total, Category II	**435 500 000**		**379 656 000**	**240 913 173**	**138 742 827**	**379 656 000**

* A special contribution of US$ 20 million paid by the OPEC Fund for International Development towards the First Replenishment is associated with Category II Members' Contributions.

** See Appendix G, notes 6 and 7.

Appendix E

Second Replenishment Contributions

Members	**Instruments Deposited**(2)			**Payments** - US$ Equivalent		Total
Category I	Currency & Amount		US$ Equivalent	Cash	Promissory Notes	
Australia	A$					
Austria	AS	76 795 758	**6 887 512**		6 887 512	**6 887 512**
Belgium	BF	339 903 660	**10 253 504**		10 253 504	**10 253 504**
Canada	C$	21 224 179	**16 326 292**		16 326 292	**16 326 292**
Denmark	DKR	61 318 324	**10 052 184**		10 052 184	**10 052 184**
Finland	FMK	23 472 972	**5 142 323**	1 225 115	3 917 208	**5 142 323**
France	FF	175 655 204	**32 894 233**		32 894 233	**32 894 233**
Germany, F.R.	SDR	24 094 552	**34 181 976**		25 636 482	**25 636 482**
Ireland	£IR	447 313	**537 404**	537 404		**537 404**
Italy	Lit	30 493 216 092	**20 215 998**	8 673 469		**8 673 469**
Japan	JY	5 822 462 907	**46 307 349**	3 703 962	42 603 387	**46 307 349**
Luxembourg	LF	8 867 052	**267 483**		178 322	**178 322**
Netherlands	FL					
New Zealand	NZ$	3 047 000	**2 004 605**		2 004 605	**2 004 605**
Norway	NKR	87 872 345	**11 844 790**	11 844 790		**11 844 790**
Spain	US$	966 000	**966 000**	966 000		**966 000**
Sweden	SKR	117 367 551	**20 235 785**		20 235 785	**20 235 785**
Switzerland	SWF	15 000 000	**11 718 750**		11 718 750	**11 718 750**
United Kingdom	£	9 226 517	**17 278 122**		17 278 122	**17 278 122**
United States	US$	79 874 400	**79 874 400**		47 420 000	**47 420 000**
Sub-total, Category I			**326 988 710**	**26 950 740**	**247 406 386**	**274 357 126**

Appendix E

Second Replenishment Contributions

Members	**Instruments Deposited**(2)			**Payments** - US$ Equivalent		Total
Category II	Currency & Amount		US$ Equivalent	Cash	Promissory Notes	
Algeria						
Gabon						
Indonesia	US$	6 900 000	**6 900 000**	6 900 000		**6 900 000**
Iran						
Iraq						
Kuwait	US$	25 000 000	**25 000 000**		7 500 000	**7 500 000**
Libyan Arab Jamahiriya	US$	16 000 000	**16 000 000**		5 000 000	**5 000 000**
Nigeria	US$	10 000 000	**10 000 000**	5 000 000		**5 000 000**
Qatar						
Saudi Arabia	US$	72 660 000	**72 660 000**		24 220 000	**24 220 000**
United Arab Emirates						
Venezuela						
Sub-total, Category II			**130 560 000**	**11 900 000**	**36 720 000**	**48 620 000**

Statement of Members' and Special Contributions[1] 31 December 1987 and 31 December 1986

Initial Contributions		First Replenishment Contributions					
Members		**Instruments Deposited**[2]			**Payments** - US$ Equivalent		**Total**
Category III[3]	US$ Equivalent	Currency & Amount		US$ Equivalent	Cash	Promissory Notes	
Afghanistan	**8 696**						
Argentina	**7**	US$	900 000	**900 000**	900 000		**900 000**
Bangladesh	**240 385**	(Taka	7 651 000	**245 224**	245 224		**245 224**
		(US$	375 000	**375 000**	375 000		**375 000**
Barbados	**1 000**						
Belize							
Benin	**10 000**	US$	10 000	**10 000**	10 000		**10 000**
Bhutan		US$	1 000	**1 000**	1 000		**1 000**
Bolivia		US$	50 000	**50 000**			
Botswana		US$	15 000	**15 000**	15 000		**15 000**
Brazil		(CRZ	350 691 534	**4 878 169**	4 878 169		**4 878 169**
		(US$	6 000 000	**6 000 000**	2 832 000	3 168 000	**6 000 000**
		(CRZ utilised	445 557	**7 000**	7 000		**7 000**
Burkina Faso	**10 000**						
Burundi		FBU	10 000 000	**88 113**			
Cameroon	**50 000**	(FF	200 000	**21 187**	21 187		**21 187**
		(Lit	40 892 529	**33 191**	33 191		**33 191**
Cape Verde	**1 000**						
Central African Republic	**3 565**	CFAF	3 000 000	**6 479**	6 479		**6 479**
Chad							
Chile	**50 000**						
China	**761 229**	US$	1 300 000	**1 300 000**	1 300 000		**1 300 000**
Colombia							
Comoros	**41 300**						
Congo		(FF	731 757	**91 609**	91 609		**91 609**
		(US$	22 592	**22 592**	22 592		**22 592**
Costa Rica							
Côte d'Ivoire							
Cuba		Peso	85 971	**114 020**	114 020		**114 020**
Cyprus	**25 000**	US$	12 000	**12 000**	12 000		**12 000**
Djibouti		US$	3 000	**3 000**	3 000		**3 000**
Dominica		US$	10 987	**10 987**	10 987		**10 987**
Dominican Republic	**25 000**						
Ecuador	**25 047**	US$	50 946	**50 946**	50 946		**50 946**
Egypt	**94 488**	(E£ utilised	180 000	**141 732**	141 732		**141 732**
El Salvador	**40 000**						
Equatorial Guinea							
Ethiopia	**23 623**	US$	23 623	**23 623**	23 623		**23 623**
Fiji	**10 000**	US$	10 000	**10 000**	10 000		**10 000**
Gambia, The							
Ghana	**100 000**						
Greece	**150 000**	US$	200 000	**200 000**	200 000		**200 000**
Grenada							
Guatemala							
Guinea	**56 818**	US$	60 000	**60 000**	60 000		**60 000**
Guinea-Bissau		US$	10 000	**10 000**	10 000		**10 000**
Guyana		US$	30 000	**30 000**	30 000		**30 000**
Haiti	**16 470**	US$	13 530	**13 530**	13 530		**13 530**
Honduras	**25 000**	US$	50 000	**50 000**	50 000		**50 000**
India	**5 000 000**	(Rs	17 873 224	**1 830 180**	535	1 829 645	**1 830 180**
		(US$	4 062 500	**4 062 500**	1 918 016	2 144 484	**4 062 500**
		(Rs utilised	6 319 663	**607 320**	607 320		**607 320**
Israel	**150 000**	Shekel equiv. of US$	150 000	**150 000**			
Jamaica	**5 814**	US$	15 000	**15 000**	15 000		**15 000**
Jordan	**30 000**	US$	75 000	**75 000**	75 000		**75 000**
Kenya	**488 182**	(K Sh	3 283	**199**	199		**199**
		(Lit	615 415 050	**436 155**	436 155		**436 155**
		(K Sh utilised	7 896 717	**483 394**	483 394		**483 394**
Korea, D.P.R.							
Korea, Republic of	**165 981**	(Won	77 175 000	**97 406**	97 406		**97 406**
		(US$	190 000	**190 000**	190 000		**190 000**
Laos	**10 000**						
Lebanon		US$	25 000	**25 000**	25 000		**25 000**
Lesotho	**15 000**	US$	50 000	**50 000**	50 000		**50 000**
Liberia	**10 000**	US$	10 000	**10 000**	10 000		**10 000**
Madagascar							
Malawi	**5 000**	US$	18 365	**18 365**	18 365		**18 365**
Maldives							
Mali		US$	10 000	**10 000**	10 000		**10 000**

Second Replenishment Contributions

Members	Instruments Deposited[2]			Payments - US$ Equivalent		Total
Category III	Currency & Amount		US$ Equivalent	Cash	Promissory Notes	
Afghanistan						
Angola[4]						
Antigua and Barbuda[4]						
Argentina	US$	249 341	249 341	249 341		249 341
Bangladesh	(US$	375 000	375 000	375 000		375 000
	(Taka	10 904 000	349 487	349 487		349 487
Barbados	US$	1 000	1 000	1 000		1 000
Belize						
Benin	US$	10 000	10 000	10 000		10 000
Bhutan						
Bolivia						
Botswana	US$	20 000	20 000	20 000		20 000
Brazil						
Burkina Faso						
Burundi						
Cameroon	FF	200 000	21 186	21 186		21 186
Cape Verde						
Central African Republic	CFAF	1 000 000	2 160	2 160		2 160
Chad						
Chile						
China	US$	1 800 000	1 800 000	1 800 000		1 800 000
Colombia	US$	10 000	10 000	10 000		10 000
Comoros						
Congo	FF	299 757	33 891	33 891		33 891
Costa Rica						
Côte d'Ivoire						
Cuba	(Peso equiv. (of US$	100 000	100 000	79 576		79 576
Cyprus	US$	25 000	25 000	25 000		25 000
Djibouti	US$	3 000	3 000	3 000		3 000
Dominica	US$	4 000	4 000	4 000		4 000
Dominican Republic						
Ecuador	US$	11 262	11 262	11 262		11 262
Egypt	(E£ utilised	240 000	172 662	172 662		172 662
El Salvador						
Equatorial Guinea						
Ethiopia	US$	23 623	23 623	23 623		23 623
Fiji	US$	10 000	10 000	10 000		10 000
Gambia, The						
Ghana	US$	16 487	16 487	16 487		16 487
Greece	US$	200 000	200 000	200 000		200 000
Grenada						
Guatemala						
Guinea	US$	10 000	10 000	10 000		10 000
Guinea-Bissau						
Guyana	US$	30 000	30 000			
Haiti	US$	30 000	30 000	7 118		7 118
Honduras	US$	66 500	66 500	66 500		66 500
India	(Rs	42 071 528	3 250 000	118	3 249 882	3 250 000
(Rs equiv.of	US$	3 250 000	3 250 000	118	3 249 882	3 250 000
Israel						
Jamaica	US$	5 000	5 000	5 000		5 000
Jordan	US$	75 000	75 000	75 000		75 000
Kenya	US$	702 303	702 303	702 303		702 303
Korea, D.P.R.						
Korea, Republic of	US$	300 000	300 000	300 000		300 000
Laos	US$	2 000	2 000	2 000		2 000
Lebanon						
Lesotho	Lit	31 911 054	24 397	24 397		24 397
Liberia						
Madagascar						
Malawi	US$	8 027	8 027	8 027		8 027
Maldives	US$	1 000	1 000	1 000		1 000
Mali	US$	10 000	10 000			

Statement of Members' and Special Contributions[1] 31 December 1987 and 31 December 1986

Initial Contributions		First Replenishment Contributions					
Members		Instruments Deposited[2]			Payments - US$ Equivalent		Total
Category III[3] (cont.d)	US$ Equivalent	Currency & Amount		US$ Equivalent	Cash	Promissory Notes	
Malta							
Mauritania							
Mauritius							
Mexico	5 000 000	US$	6 503 166	6 503 166	6 503 166		6 503 166
Morocco	238 657	Dirh.	864 830	110 876		110 876	110 876
Mozambique	2 970	Met	3 600 000	8 911	8 911		8 911
Nepal	5 000	US$	5 000	5 000	5 000		5 000
Nicaragua	28 571						
Niger	70 588	FF	300 000	31 949	31 949		31 949
Oman							
Pakistan	812 500	(PRs	1 029 328	58 852	58 852		58 852
		(US$	500 000	500 000	500 000		500 000
		(PRs utilised	8 520 000	532 500	532 500		532 500
Panama		US$	25 000	25 000	25 000		25 000
Papua New Guinea	20 000						
Paraguay							
Peru		US$	60 000	60 000	60 000		60 000
Philippines	250 000	(US$	50 000	50 000	50 000		50 000
		(PPs utilised	3 673 333	177 907	177 907		177 907
Portugal							
Romania	340 411						
Rwanda		US$	14 499	14 499	14 499		14 499
Saint Lucia							
Sao Tome and Principe							
Senegal	10 000	FF	100 000	10 650	10 650		10 650
Seychelles	5 000						
Sierra Leone	18 296	US$	18 430	18 430	18 430		18 430
Solomon Islands		US$	10 000	10 000	10 000		10 000
Somalia	10 000						
Sri Lanka	770 292	US$	1 000 000	1 000 000	1 000 000		1 000 000
Sudan	10 000	US$	10 000	10 000	10 000		10 000
Suriname							
Swaziland		US$	8 980	8 980	8 980		8 980
Syria	90 000	(US$					
		(Syr.£ utilised	500 000	126 593	126 593		126 593
Tanzania, United Republic of	3 577	US$	38 941	38 941	38 941		38 941
Thailand	100 000	US$	100 000	100 000	100 000		100 000
Togo	14 778	FF	30 000	3 243	3 243		3 243
Tonga							
Tunisia	62 288	US$	300 000	300 000	300 000		300 000
Turkey	12 394	LT	10 068 610	9 862	9 862		9 862
Uganda	33	(USh	50 000	833	833		833
		(US$	50 000	50 000	50 000		50 000
Uruguay							
Viet Nam	136						
Western Samoa	10 000						
Yemen A.R.	50 000						
Yemen, P.D.R.		US$	50 000	50 000	50 000		50 000
Yugoslavia	4 340	(Dinar	10 920 000	8 776	8 776		8 776
		(US$	100 000	100 000	100 000		100 000
Zaire	30 000						
Zambia	61 404	US$	92 687	92 687	92 687		92 687
Zimbabwe							
Sub total, Category III	15 679 840			32 852 576	25 311 458	7 253 005	32 564 463
Total, Categories I, II & III 31 Dec. 1987	1 017 744 501			1 039 633 864	586 885 615	452 460 136	1 039 345 751
Special Contributions							
— OPEC Fund		US$	20 000 000	20 000 000	9 440 000	10 560 000	20 000 000
— Other	101 157						
— 31 Dec. 1987	101 157			20 000 000	9 440 000	10 560 000	20 000 000
Total, Notes of Contributors						463 020 136	
31 Dec. 1986							
— Total, Categories I, II & III	1 017 910 434			996 472 682	454 717 505	541 489 170	996 206 675
— Special Contributions	101 157			20 000 000	5 440 000	14 560 000	20 000 000

Summary of Members' Contributions — **Appendix E**

	Value in US$	
	At 31.12.87	At 31.12.86
Initial Contribution	1 017 744 501	1 017 910 434
First Replenishment	1 039 633 864	996 472 682
Second Replenishment	474 411 109	424 384 753
Total	2 531 789 474	**2 438 767 869**

Appendix E

Second Replenishment Contributions

Members	Instruments Deposited[2]			Payments - US$ Equivalent		Total
Category III	Currency & Amount		US$ Equivalent	Cash	Promissory Notes	
Malta						
Mauritania						
Mauritius	US$	15 000	**15 000**	15 000		15 000
Mexico	US$	2 127 819	**2 127 819**	2 127 819		2 127 819
Morocco	Dirh.	1 000 000	**128 205**		128 205	128 205
Mozambique						
Nepal						
Nicaragua	US$	10 000	**10 000**	10 000		10 000
Niger						
Oman	US$	75 000	**75 000**	75 000		75 000
Pakistan	(US$	600 000	**600 000**	400 000		400 000
	(PRs	15 183 360	**868 117**	868 117		868 117
Panama	US$	16 666	**16 666**	16 666		16 666
Papua New Guinea	US$	50 000	**50 000**	50 000		50 000
Paraguay						
Peru						
Philippines						
Portugal						
Romania						
Rwanda	US$	60 000	**60 000**	60 000		60 000
Saint Christopher and Nevis[4]						
Saint Lucia						
Saint Vincent and the Grenadines[5]						
Sao Tome and Principe						
Senegal						
Seychelles						
Sierra Leone						
Solomon Islands						
Somalia						
Sri Lanka	US$	1 000 000	**1 000 000**	1 000 000		1 000 000
Sudan	(Sud.£ utilised	200 000	**68 259**	68 259		68 259
Suriname						
Swaziland	US$	4 395	**4 395**	4 395		4 395
Syria	(Syr.£ utilised	485 000	**49 743**	49 743		49 743
	(Syr.£	15 000	**1 336**	1 336		1 336
Tanzania, United Republic of						
Thailand	US$	100 000	**100 000**	100 000		100 000
Togo						
Tonga						
Tunisia						
Turkey	LT	11 009 390	**10 784**	10 784		10 784
Uganda	(US$	100 000	**100 000**			
	(U Sh equiv. of US$	100 000	**100 000**			
Uruguay						
Viet Nam						
Western Samoa						
Yemen A.R.	US$	150 000	**150 000**	150 000		150 000
Yemen, P.D.R.	US$	50 000	**50 000**	50 000		50 000
Yugoslavia	Dinar	40 000 000	**32 145**	32 145		32 145
Zaire						
Zambia	US$	39 530	**39 530**	39 530		39 530
Zimbabwe	US$	3 074	**3 074**	3 074		3 074
Sub total, Category III			**16 862 399**	9 751 124	6 627 969	16 379 093
Total, Categories I, II & III, 31 Dec. 1987			**474 411 109**	48 601 864	290 754 355	339 356 219
Special Contributions						
— Other			**11 896**	11 896		11 896
— 31 Dec. 1987			**11 896**	11 896		11 896
Total, Notes of Contributors					290 754 355	
31 Dec. 1986						
— Total, Categories I, II and III			**424 384 753**	28 058 683	127 173 953	155 232 636
— Special Contributions			**2 496**	2 496		2 496

Notes to Statement of Members' and Special Contributions

(1) Members' Contributions have been translated on the basis of the following.
  i) At year-end market rates of exchange for amounts receivable, for amounts paid in the form of promissory notes and not yet drawn down and for non-convertible currencies not yet disbursed.
  ii) At market rates of exchange as at date of receipt in respect of cash including draw down payments and at market rates of exchange as at date of disbursement in the case of non-convertible currencies.

(2) In those cases where no instrument has been received, the amounts shown are the equivalent of the actual payments.

(3) Arrangements have been concluded or are in the process of negotiation to utilise all or part of the non-convertible currency contributions in the Fund's operations. The portions utilised to 31 December 1987 amount to US$ 5 261 000 (1986 - US$ 3 826 000).

(4) This Member State completed its membership formalities after the period of the First Replenishment.

(5) This state has yet to complete the required membership formalities.

Summary Statement of Loans[(1)] **Appendix F**
31 December 1987 and 31 December 1986

Borrower or Guarantor	Approved Loans less Cancellations	Loans not yet Effective	Effective Loans			Outstanding Loans
			Undisbursed Portion	Disbursed Portion	Repayments	
US$ Loans(1)	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Bangladesh	**30 000 000**		13 357 595	16 642 405		**16 642 405**
Cape Verde	**2 003 243**		-	2 003 243		**2 003 243**
Haiti	**3 500 000**		775 678	2 724 322		**2 724 322**
Nepal	**13 000 000**		3 551 561	9 448 439		**9 448 439**
Philippines	**10 000 000**		-	10 000 000	2 333 331	**7 666 669**
Sri Lanka	**12 000 000**		-	12 000 000		**12 000 000**
Tanzania, United Republic of	**9 488 456**		-	9 488 456		**9 488 456**
Thailand	**15 274 557**		-	15 274 557	3 907 485	**11 367 072**
Sub-total(1)	**95 266 256**		17 684 834	77 581 422	6 240 816	**71 340 606**
Exchange adjustment on US Dollar Loans	**7 535 465**			7 535 465	503 790	**7 031 675**
Sub-total US Dollar Loans(1)	**102 801 721**		17 684 834	85 116 887	6 744 606	**78 372 281**
SDR Loans(1)	**SDR**	**SDR**	**SDR**	**SDR**	**SDR**	**SDR**
Algeria	**8 450 000**		8 450 000	-		-
Bangladesh(2)	**112 131 545**		53 969 865	58 161 680	5 004 199	**53 157 481**
Belize	**2 100 000**	2 100 000	-	-		-
Benin	**27 200 000**	7 950 000	4 117 038	15 132 962		**15 132 962**
Bhutan	**9 900 000**		5 952 038	3 947 962		**3 947 962**
Bolivia	**29 752 893**	4 200 000	17 058 267	8 494 626	1 020 000	**7 474 626**
Botswana	**6 750 000**		4 679 541	2 070 459	450 000	**1 620 459**
Brazil	**15 600 000**		3 803 848	11 796 152	5 200 000	**6 596 152**
Burkina Faso	**21 800 000**		14 328 249	7 471 751		**7 471 751**
Burundi(2)	**17 550 000**		7 036 949	10 513 051	363 204	**10 149 847**
Cameroon	**22 800 000**		14 023 201	8 776 799		**8 776 799**
Cape Verde	**4 350 000**	4 350 000	-	-		-
Central African Republic	**8 400 000**		4 384 292	4 015 708		**4 015 708**
China	**86 000 000**		20 588 088	65 411 912		**65 411 912**
Colombia	**13 950 000**	7 150 000	4 312 390	2 487 610	227 000	**2 260 610**
Comoros	**3 150 000**		1 848 321	1 301 679		**1 301 679**
Congo	**7 850 000**		5 783 088	2 066 912		**2 066 912**
Costa Rica	**4 400 000**		-	4 400 000		**4 400 000**
Côte d'Ivoire	**8 350 000**		7 817 566	532 434		**532 434**
Cuba	**11 050 000**		2 479 790	8 570 210	1 110 000	**7 460 210**
Cyprus	**4 650 000**		4 388 899	261 101	193 750	**67 351**
Djibouti	**2 125 000**		1 150 000	975 000		**975 000**
Dominica	**2 450 000**		1 303 540	1 146 460		**1 146 460**
Dominican Republic	**24 400 000**	6 100 000	8 168 135	10 131 865	300 000	**9 831 865**
Ecuador	**5 150 000**		4 047 084	1 102 916		**1 102 916**
Egypt	**55 450 000**		38 100 610	17 349 390		**17 349 390**
El Salvador	**5 050 000**		1 318 278	3 731 722		**3 731 722**
Equatorial Guinea	**1 650 000**		1 426 922	223 078		**223 078**
Ethiopia	**41 621 000**	4 500 000	8 035 165	29 085 835		**29 085 835**
Gambia, The	**8 800 000**		4 326 705	4 473 295		**4 473 295**
Ghana	**15 450 000**	5 900 000	2 394 183	7 155 817		**7 155 817**
Grenada	**1 400 000**		93 811	1 306 189	93 400	**1 212 789**
Guatemala	**4 950 000**		4 272 302	677 698		**677 698**
Guinea	**14 900 000**		7 016 911	7 883 089		**7 883 089**
Guinea-Bissau	**6 450 000**		5 648 441	801 559		**801 559**
Guyana	**5 000 000**		4 647 383	352 617		**352 617**
Haiti	**16 650 000**		8 320 445	8 329 555		**8 329 555**
Honduras	**23 400 000**	4 850 000	9 768 735	8 781 265		**8 781 265**
India	**157 700 000**	9 250 000	35 370 772	113 079 228		**113 079 228**
Indonesia(2)	**94 709 669**	10 600 000	41 692 385	42 417 284	6 356 777	**36 060 507**
Jamaica	**14 000 000**	5 100 000	3 088 199	5 811 801		**5 811 801**
Jordan	**20 550 000**		7 908 896	12 641 104	617 000	**12 024 104**
Kenya	**15 350 000**		10 571 792	4 778 208		**4 778 208**
Laos	**10 100 000**	3 500 000	4 647 044	1 952 956		**1 952 956**
Lesotho	**8 900 000**		4 482 788	4 417 212		**4 417 212**
Liberia	**12 200 000**		2 928 232	9 271 768		**9 271 768**
Madagascar(2)	**24 412 336**		11 810 114	12 602 222	731 529	**11 870 693**
Malawi(2)	**36 700 000**	4 950 000	12 240 122	19 509 878	1 968 662	**17 541 216**
Maldives	**1 900 000**		1 369 247	530 753		**530 753**
Mali	**20 150 000**		10 231 110	9 918 890		**9 918 890**
Mauritania	**12 300 000**		7 290 175	5 009 825		**5 009 825**
Mauritius	**5 250 000**		4 757 735	492 265	175 000	**317 265**
Mexico	**17 450 000**		4 323 778	13 126 222	5 816 666	**7 309 556**
Morocco	**42 100 000**		21 442 008	20 657 992	3 930 000	**16 727 992**
Mozambique(2)	**17 626 845**		-	17 626 845	3 098 186	**14 528 659**

Summary Statement of Loans[1] 31 December 1987 and 31 December 1986

Appendix F

Borrower or Guarantor	**Approved Loans** less Cancellations	Loans not yet Effective	Effective Loans			**Outstanding Loans**
			Undisbursed Portion	Disbursed Portion	Repayments	
Nepal	**43 700 000**	4 750 000	24 310 388	14 639 612		**14 639 612**
Nicaragua	**18 900 000**		3 686 189	15 213 811		**15 213 811**
Niger	**9 700 000**		3 774 743	5 925 257		**5 925 257**
Nigeria	**12 050 000**		12 050 000	-		**-**
Pakistan[2]	**90 758 913**	8 700 000	17 430 268	64 628 645	3 683 980	**60 944 665**
Panama	**21 500 000**		7 022 131	14 477 869	1 480 200	**12 997 669**
Papua New Guinea	**12 050 000**		10 473 690	1 576 310		**1 576 310**
Paraguay	**16 500 000**		6 565 734	9 934 266	1 634 000	**8 300 266**
Peru	**33 550 000**		15 463 419	18 086 581	1 280 000	**16 806 581**
Philippines	**21 800 000**		16 231 951	5 568 049	237 000	**5 331 049**
Rwanda[2]	**12 830 000**		6 168 728	6 661 272	1 073 519	**5 587 753**
Saint Lucia	**2 000 000**		1 746 775	253 225		**253 225**
Sao Tome and Principe	**2 100 000**		1 175 660	924 340		**924 340**
Senegal	**10 400 000**		7 669 006	2 730 994		**2 730 994**
Sierra Leone	**19 525 927**		6 592 749	12 933 178		**12 933 178**
Solomon Islands	**1 450 000**		641 570	808 430		**808 430**
Somalia	**26 200 000**		11 099 253	15 100 747		**15 100 747**
Sri Lanka	**39 150 000**		24 288 563	14 861 437		**14 861 437**
Sudan[2]	**47 514 342**		20 096 092	27 418 250	990 409	**26 427 841**
Swaziland	**5 700 000**		4 104 531	1 595 469		**1 595 469**
Syria	**15 700 000**		8 153 951	7 546 049		**7 546 049**
Tanzania, United Republic of	**14 500 000**		14 277 676	222 324		**222 324**
Thailand	**37 950 000**	7 800 000	6 691 337	23 458 663	1 900 000	**21 558 663**
Togo	**12 300 000**	4 900 000	4 226 316	3 173 684		**3 173 684**
Tonga	**950 000**		671	949 329		**949 329**
Tunisia	**27 650 000**		9 714 885	17 935 115	1 470 000	**16 465 115**
Turkey	**26 900 000**		15 655 534	11 244 466	2 166 850	**9 077 616**
Uganda[2]	**30 412 199**		12 781 501	17 630 698	3 166 362	**14 464 336**
Western Samoa	**1 400 000**		721 029	678 971		**678 971**
Yemen A.R.[2]	**31 050 000**	2 000 000	6 388 229	22 661 771	1 042 387	**21 619 384**
Yemen, P.D.R.	**17 050 000**		4 098 336	12 951 664		**12 951 664**
Zaire	**24 750 000**	6 050 000	6 637 297	12 062 703		**12 062 703**
Zambia	**30 050 000**	9 100 000	12 333 368	8 616 632		**8 616 632**
Zimbabwe	**16 700 000**		13 885 835	2 814 165		**2 814 165**
Sub-total	**1 907 220 669**	123 800 000	795 371 882	988 048 787	56 780 080	**931 268 707**
US$ Equivalent[1]	**2 705 697 673**	175 630 108	1 128 362 274	1 401 705 291	63 912 788	**1 337 792 503**
Exchange adjustment on SDR Loan Repayments	**(16 638 840)**			(16 638 840)		**(16 638 840)**
Sub-total SDR Loans[1]	**2 689 058 833**	175 630 108	1 128 362 274	1 385 066 451	63 912 788	**1 321 153 663**
Total Loans[1] US$	**2 791 860 554**	175 630 108	1 146 047 108	1 470 183 338	70 657 394	**1 399 525 944**
31 Dec. 1986 US$	**2 303 142 674**	165 803 404	1 056 008 427	1 081 330 842	52 155 929	**1 029 174 913**

Summary

		Approved Loans				**Value in US$**				
		At 31.12.86	Loans Cancelled	Loans Fully Repaid	At 31.12.87	At 31.12.86	Loans Cancelled	Loans Fully Repaid	Movement in Exchange Rate SDR/US$	At 31.12.87
1978	US$	95 267			95 267	95 267				95 267
1979	SDR	262 246	(3 249)		258 997	320 776	(3 974)		50 627	367 429
1980	SDR	292 796	(140)		292 656	358 145	(171)		57 205	415 179
1981	SDR	302 915	(738)		302 177	370 523	(903)		59 066	428 686
1982	SDR	291 150	(73)		291 077	356 132	(89)		56 896	412 939
1983	SDR	248 000	(435)		247 565	303 351	(532)		48 391	351 210
1984	SDR	192 750			192 750	235 770			37 676	273 446
1985	SDR	126 300	(7 550)		118 750	154 489	(9 235)		23 212	168 466
1986	SDR	92 300	(4 850)		87 450	112 900	(5 933)		17 095	124 062
1987	SDR				115 800					164 280
Total	**SDR**	**1 808 457**	**(17 035)**		1 907 222					
	US$	**95 267**			95 267					
Total						**US$ 2 307 353**	**(20 837)**		**350 168**	2 800 964
Exchange adjustment on Loans disbursed						**(4 210)**				(9 103)
						US$ 2 303 143				2 791 861

[1] Loans approved in 1978 were denominated in US Dollars and are repayable in the currencies in which withdrawals are made. From January 1979, loans have been denominated in SDRs and for purposes of presentation in the Balance Sheet the accumulated amount of loans denominated in SDRs has been valued at US Dollar/SDR rate of 1.41866/1 at 31 December 1987. Since the loans were valued at 31 December 1986 at the then prevailing rate of 1.22319/1, there is an increase in value, in terms of US Dollars, attributable to the movement in exchange rates from 31 December 1986 to 31 December 1987 of US$ 350 168 000 (1986 - US$ 214 125 000).

[2] Repayment amounts include Participation by The Netherlands and Norway in specific loans to these countries resulting in partial early repayment and corresponding increase in committable resources.

Appendix G

Notes to the Financial Statements

31 December 1987
and 31 December 1986

Note 1: Brief Description of the Fund

The International Fund for Agricultural Development is a specialized agency of the United Nations. The Fund formally came into existence on 30 November 1977, on which date the agreement for its establishment entered into force.

The objective of the Fund is to mobilize additional resources to be made available on concessional terms for financing primarily projects specifically designed to improve food production systems, the nutritional level of the poorest populations in developing countries and the conditions of their lives.

Membership in the Fund is open to any state member of the United Nations or of any of its specialized agencies. The Fund's resources come from Member contributions, special contributions from non-member states and other sources, and funds derived from operations.

Note 2 : Summary of Significant Accounting Policies

(a) Basis of Accounting

The Fund maintains its accounting records on the accrual basis for revenue and expenses. The excess of revenue over expenses is transferred to Accumulated Surplus.

The Fund carries its investments at cost. Gains or losses on sales of investments are included as an element of income from investments.

A contribution from a Member is recorded in full as receivable when the Member deposits its instrument of contribution.

Amounts receivable from Member States as contributions, loans and other receivables have been recorded at their full value.

Technical Assistance Grants are recorded as a deduction from Contributions and Accumulated Surplus at the time of their approval.

Cost of equipment owned by the Fund is charged direct to expense when purchased.

(b) Resources Available for Commitment

Resources available for commitment are those resources in freely convertible currencies defined in Article 4, Section 1 of the Agreement Establishing IFAD, which have been contributed by Members and others or have been derived from operations, to the extent that these resources have not already been committed for loans and grants or appropriated to the General Reserve, and may exclude part or all of the promissory notes of any Member State on which drawdowns have been called but not paid by the Member(s) concerned. A loan or grant is considered to be committed when a formal agreement is signed by the Fund and the respective borrower or grantee. The Fund's Executive Board reviews a statement of resources available for commitment at every Board meeting to ensure that resources are available to meet loans presented for approval. The Statement of Resources Available for Commitment, Appendix D, also indicates the specific amounts against which no commitments have been made.

(c) Translation and Conversion of Currencies

(i) The Fund, as an international organization, conducts its operations in several currencies, and for the present time is maintaining its accounting records in United States Dollars. The Financial Statements are expressed in United States Dollars solely for the purpose of summarizing the financial position.

(ii) The Fund has translated all items in its Balance Sheet, except its Members' contributions, in currencies other than the United States Dollar at market rates of exchange at year-end. The basis of translation for its Members' contributions is the following:
1) at year-end market rates of exchange for amounts receivable, for amounts paid in the form of promissory notes and not yet drawn down and for non-convertible currencies not yet disbursed.
2) at market rates of exchange as at date of receipt in respect of cash including draw down payments and at market rates of exchange as at date of disbursement in the case of non-convertible currencies.

(iii) Revenue and expense items in currencies other than the United States Dollar have been recorded at appropriate rates of exchange during the period.

(iv) The exchange adjustments arising from the translation of assets and liabilities in currencies other than the United States Dollar are credited or charged to an exchange adjustment account which is shown in the Balance Sheet.

(v) In those instances where currencies are converted to settle day-to-day obligations, or when the rate of exchange of the United States Dollar changes between the date of original entry and the date of settlement, any resulting actual gain or loss is included in the determination of excess of revenue over expenses.

Note 3: Unrestricted Investments

As of 31 December 1987, the market value of investments was US$ 944 856 000 (1986 - US$ 760 383 000) including time deposits and other instruments not traded on the market which were valued at cost of US$ 412 559 000 (1986 - US$ 348 598 000). Income from investments includes net gains of US$ 1 720 000 (1986 - US$ 930 000).

Note 4 : Cash and Investments Subject to Restriction

Currencies not freely convertible

Cash and investments held by the Fund at 31 December 1987 in currencies which are not freely convertible amounted to US$ 6 852 000 (1986 - US$ 7 161 000) and US$ 1 503 000 (1986 - US$ 1 088 000), respectively.

In accordance with the Agreement Establishing IFAD, the amounts paid into the Fund by Category III Members in their respective currencies on account of their initial or additional contributions are subject to restriction in usage. Such amounts may be used only:

(a) after consultation with the Member concerned for the payment of administrative expenditures and other costs of the Fund in the territories of that member, or

(b) with the consent of that Member, for the payment of goods or services produced in its territories and required for activities financed by the Fund in other states.

Belgian Survival Fund

The Government of Belgium has established a "Survival Fund for the Third World" and a part of this Fund is being implemented through a Joint Programme with IFAD and certain UN Agencies.

Included in "Cash and Investments Subject to Restriction" at 31 December 1987 are amounts equivalent to US$ 16 855 000 (1986 - US$ 10 914 000) relating to this programme:

(i) As at 31 December 1987, 4 Grants were being implemented and the undisbursed balance of the Belgian Franc cash received amounted to the equivalent of US$ 13 888 000 (1986 - US$ 8 792 000). During 1987, B.Fr. 160 250 000 was received for these grants (1986 - B.Fr. 160 250 000) and B.Fr. 55 155 000 (1986 - B.Fr. 113 365 000) was disbursed.

(ii) Total interest received as at 31 December 1987 was equivalent to US$ 2 481 000 (1986 - US$ 1 308 000).

Interest received on the B.Fr. deposits in 1987 amounted to B.Fr. 28 308 000 (1986 - B.Fr. 33 913 000).

(iii) The balance of funds held for the supervision of Grants, design of projects for future grants and the Programme Support Unit amounted to US$ 486 000 (1986 - US$ 814 000).

Special Programme for Africa

The Governing Council of IFAD approved the establishment of a "Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification" (Special Programme for Africa) on 23 January 1986. The Special Programme for Africa became effective on 28 May 1986.

Included in "Cash and Investments Subject to Restriction" is an amount of US$ 947 000 (1986 - US$ 8 114 000) held temporarily for the Special Programme for Africa.

Other amounts restricted

Included in "Cash and Investments Subject to Restriction" are the following additional amounts:

i) US$ 7 411 000 (1986 - US$ 7 505 000) being the balance remaining of cash paid by several Member States towards specific further involvement in Fund approved projects or research programmes.

ii) US$ 2 123 000 (1986 - US$ 592 000) being the balance remaining of the cash paid by several Member States and others to finance the cost of other Fund-related activities.

Amounts indicated above as "Other amounts restricted" and the balance of "Belgian Survival Fund" not related to specific grants, are shown as "Advances".

Note 5 : Members' Contributions

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except Category III Members may pay contributions in their own currency whether or not it is freely convertible. Each contribution is to be made in cash or, to the extent that any part of the contribution is not needed immediately by the Fund in its operations, it may be paid in the form of non-negotiable, irrevocable, non-interest bearing promissory notes or obligations payable on demand.

Initial Contributions

Members' Initial Contributions in currencies other than United States Dollars have been translated into United States Dollars in accordance with Note 2 (c-ii), which results in an aggregate of US$ 1 017 745 000 (1986 - US$ 1 017 910 000).

Had Members' Initial Contributions been translated into United States Dollars at the rates of exchange in effect on the date on which the Member States became Members of the Fund, the total value of the contributions at 31 December 1987 would have been US$ 1 026 598 000 (1986 - US$ 1 026 598 000). See also Notes 6 and 7.

First Replenishment

The Fund's First Replenishment came into effect on 18 June 1982. Instruments of contribution have been deposited by Members as at 31 December 1987 and valued as of that date in an aggregate of US$ 1 039 634 000 (1986 - US$ 996 473 000), as appearing in Appendix E. Contributions paid either in cash or in promissory notes as at 31 December 1987 were US$ 1 039 346 000 (1986 - US$ 996 207 000).

Second Replenishment

The Fund's Second Replenishment came into effect on 27 November 1986 when Instruments of Contribution were deposited amounting in aggregate to 50% of the respective total contributions of Membership in Categories I and II as determined by the exchange rate formula adopted under Resolution 37/IX of the Ninth Session of the Governing Council on the Second Replenishment. Resolution 37/IX of the Ninth Session of the Governing Council, further provided, *inter alia*, that:

a) *Unqualified Contributions*

   to enable the Fund to undertake its planned operational programme of work for the three-year period commencing on 1 January 1985, unqualified contributions should be paid in a single sum or no more than three instalments not later than 31 December 1987.

b) *Qualified Contributions*

   As an exceptional case, where an Unqualified Contribution commitment cannot be given by a Member due to its legislative procedures, the Fund may accept from that Member an Instrument of Contribution that contains a formal notification by that Member that it will pay the first instalment of its contribution without qualification but that payment of the remaining instalments is subject to the enactment of the necessary appropriation legislation and compliance with other legislative requirements. Such a Qualified Instrument, however, shall include an express undertaking on the part of the Member to seek the necessary appropriations at the rate so as to complete payment of its total contribution, during the period of the Replenishment. The Fund shall be notified as soon as possible after such appropriation is obtained and such other legislative requirements have been fulfilled. For the purposes of this Resolution, a Qualified Contribution shall be deemed to be unqualified to the extent that appropriations have been obtained, other legislative requirements have been met and the Fund has been notified.

c) In the case of an undue delay in the deposit of an Instrument of Contribution or in payment or of substantial reduction in its contribution by a Member, then any other Member may, at its option, after consultation with the Executive Board, make ad interim a commensurate modification in the amount, relevant instalment, and or timing of its own contribution, with a view to safeguarding the objectives of the Replenishment and avoiding a significant disparity betweeen the relative proportion of Members' total contributions to the Fund.

Contributions pledged as at 23 January 1986 by Category I and II Members for the Second Replenishment amounted to US$ 460 000 000.

Instruments of Contribution have been deposited by Category I and II Members up to 31 December 1987 and valued in accordance with Note 2 (c-ii) in an aggregate of US$ 457 549 000 (1986 - US$ 409 075 000). Had these Instruments of Contribution been valued in accordance with the exchange rate clause of Resolution 37/IX they would be valued on an aggregate of US$ 386 766 000 (1986 - US$ 379 194 000).

Instruments of Contribution have been deposited by Category III Members to the Second Replenishment as at 31 December 1987 in an aggregate of US$ 16 862 000 (1986 - US$ 15 310 000). Contributions paid either in cash or in promissory notes as at 31 December 1987 were US$ 339 356 000 (1986 - US$ 155 233 000) of which Category III Members have paid US$ 11 369 000 (1986 - US$ 6 351 000) in convertible currencies and US$ 5 010 000 (1986 - US$ 936 000) in non-convertible currencies.

Note 6: Promissory Notes of Contributors

Initial Contributions paid in the form of non-negotiable, irrevocable, non-interest bearing promissory notes now amount to US$ 46 095 000 (1986 - US$ 47 365 000). As at 31 December 1987 a total amount of US$ 44 075 000 (1986 - US$ 44 075 000) drawn down against promissory notes of Iran and Iraq had not been paid. These amounts have been excluded from resources available for commitment. A payment of US$ 1 183 500 was received in 1987 in respect of the drawdown against a promissory note of Qatar made in 1985. All convertible currency promissory notes of the Initial Contribution have been drawn down.

First Replenishment Contributions paid in the form of non-negotiable, irrevocable, non-interest bearing promissory notes amount to US$ 463 020 000 (1986 - US$ 556 049 000).

As at 31 December 1987, there were unpaid drawdowns of US$ 14 679 000 (1986 - US$ 8 459 000) against the promissory note from Iraq for US$ 31 099 000 and the amount of the promissory note has been excluded as a resource available for commitment. There were unpaid drawdowns of US$ 6 599 000 (1986 - US$ 3 802 000) against the promissory note from Qatar for US$ 13 980 000 and the unpaid amount of US$ 6 599 000 (1986 - US$ 3 802 000) has been excluded as a resource available for commitment. There were also unpaid drawdowns of US$ 7 243 000 against the promissory note from the United Arab Emirates of US$ 20 802 000 and the unpaid amount of US$ 7 243 000 has been excluded as a resource available for commitment. A payment of US$ 1 000 000 was received in 1987 towards the drawdown against a promissory note of the United Arab Emirates made in 1986.

Second Replenishment Contributions paid in the form of non-negotiable, irrevocable, non-interest bearing promissory notes amount to US$ 127 174 000 (1985 - US$ 25 685 000). As at 31 December 1987, no drawdowns have been made against Second Replenishment Contributions.

Note 7 : Amounts Receivable from Contributors

Amounts receivable from Member States towards the Fund's Initial Contributions were US$ 83 191 000 (1986 - US$ 83 188 000). Included in this amount is US$ 83 167 000 due from Iran against which in 1983, 1984 and 1985 as part of the fourth, fifth, sixth and seventh drawdowns, calls were made amounting to US$ 83 167 000 (1986 - US$ 83 167 000), and these were unpaid.

Amounts receivable from Member States at 31 December 1987 against Instruments of Contributions deposited towards the Fund's First Replenishment were US$ 288 000 (1986 - US$ 266 000).

Instalments receivable from Member States at 31 December 1987 against Instruments of Contributions deposited towards the Fund's Second Replenishment amount to US$ 135 055 000 (1986 - US$ 269 152 000).

No commitments have been made against the amounts described in the above paragraphs (see Appendix D).

Note 8: Loans

Fund loans are made only to developing states that are Members of the Fund or to inter-governmental organizations in which such Members participate. In the latter case the Fund may require governmental or other guarantees. A loan becomes effective when IFAD has received a satisfactory legal opinion from the borrower and any other conditions precedent to effectiveness have been fulfilled. Upon effectiveness, disbursements may commence.

Loan repayments and related interest payments for loans approved during 1978 are required to be made in the currency in which the respective portion of the loan was advanced or as specified in the agreement. In respect of all Fund loans approved after 1 January 1979, loan repayments and interest are payable in the currency specified in the loan agreement in amounts equivalent to the Special Drawing Rights (SDR) due, based on International Monetary Fund rates on the due dates. Loans approved will be disbursed to borrowers in accordance with the provisions of the loan agreement.

As at 31 December 1987 a principal instalment of US$ 671 000 (1986 - US$ Nil) and service charges and interest equivalent to US$ 676 000 (1986 - US$ 251 000) were overdue by more than three months. The principal disbursed and outstanding on these loans amounted to an equivalent of US$ 85 878 000 (1986 - US$ 18 094 000).

Details of loans approved, disbursed and of loan repayments appear in Appendix F.

Note 9: Grants

The Agreement Establishing IFAD empowers the Fund to make grants to its Members, or to inter-governmental organizations in which its Members participate, on such terms as the Fund deems appropriate. The Agreement also states that the proportion of grants shall not normally exceed one-eighth of the resources committed in any financial year. The cumulative amount of grants disbursed up to 31 December 1987 was US$ 97 163 000 (1986 - US$ 89 989 000).

Note 10: General Reserve

The Fourth Session of the Governing Council in 1980 recognized the need to cover the Fund's potential over-commitment risk as a result of exchange rate fluctuations, and possible delinquencies in receipt of loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets, and established a General Reserve.

Transfers from Accumulated Surplus to General Reserve are determined by the Executive Board after taking into account the Fund's financial position and in this regard the Executive Board approved a transfer of US$ 5 million (1986 - US$ 5 million) to General Reserve as at 31 December 1987 to give a total balance of US$ 60 million (1986 - US$ 55 million).

The adequacy of the General Reserve will be periodically reviewed by the Executive Board, subject to an upper limit not exceeding US$ 100 million. Withdrawals from the General Reserve will be subject to the prior approval of the Executive Board.

Note 11: Contributions to Staff Retirement Plan

As a member of the United Nations Joint Staff Pension Fund, IFAD makes contributions on behalf of its staff under the rules of the Pension Fund and would be liable for its share of the unfunded liability, if any. The total retirement plan contributions in 1987 amounted to US$ 1 268 000 (1986 - US$ 1 162 000).

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Price Waterhouse S.a.s.
di Renzo Latini & Co.

Società di Revisione
e Certificazione

Price Waterhouse

The International Fund for
Agricultural Development
Rome

1. We have audited the financial statements (Appendices A through G) of the International Fund for Agricultural Development at December 31, 1987 and 1986 and for the years then ended. Our audits were carried out in accordance with generally accepted international auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

2. A number of Member States are in arrears in connection with their settlement of certain obligations to the Fund as indicated in Notes 6 and 7 of Appendix G. The major items are as follows:

   (a) Included in Amounts Receivable from Contributors is US$ 83,166,667 receivable from Iran. This amount has been outstanding since 1980. In addition, included in Promissory Notes of Contributors at December 31, 1987 and 1986 is an amount of US$ 29,357,833 which has been drawn down against a promissory note from this Member State and has not been received. This Member State informed the Fund at the Fourth Session of the Governing Council and the Sixteenth Session of the Executive Board that it intended to honour its financial obligations to the Fund. The Member State has nevertheless not settled its obligations to the Fund and, we are informed, discussions continue to take place with its representatives.

   (b) In the case of another Member State, Iraq, an amount of US$ 45,815,800 is included in Promissory Notes of Contributors at December 31, 1987 and 1986, of which US$ 29,395,528 had been drawn down at December 31, 1987 but has not been received by the Fund; the amount drawn down but not paid at December 31, 1986 was US$ 23,175,728. This Member State has also indicated its intention to meet such drawdown requests at Executive Board meetings and at Second Replenishment meetings and discussions are also continuing with this Member State on the matter.

3. In addition there are the following arrears situations:

   (a) A Member State, Qatar, has not yet honoured amounts totalling US$ 6,598,560 drawn down on promissory notes from January 1986. The amount drawn down but not paid at December 31, 1986 was US$ 4,986,060; a payment of US$ 1,183,500 was received in 1987 in respect of the promissory notes drawn down in July 1985. Promissory notes of Qatar not drawn down at December 31, 1987 and 1986 amounted to US$ 7,381,440 and US$ 10,177,440 respectively.

   (b) As at the date of this report another Member State, the United Arab Emirates, has not yet honoured amounts totalling US$ 7,243,280 which relate to part of a promissory note drawn down in July 1986 and all promissory notes subsequently drawn down to December 31, 1987. A payment of US$ 1,000,000 was received in 1987 in respect of the promissory note drawn down in July 1986. Promissory notes of the United Arab Emirates not drawn down at December 31, 1987 amounted to US$ 13,559,040.

   Both the above-mentioned Member States have indicated to the Fund that they are in arrears solely as a result of liquidity problems.

4. The Fund has excluded from resources available for commitment shown in Appendix D all the amounts referred to in paragraph 2 above and the unpaid drawdowns referred to in paragraph 3 above. However, in view of the considerable time over which certain arrears have been outstanding, we consider that the Fund should reflect the situation in its balance sheet. Therefore we consider that, as a matter of prudence, appropriate provisions should be made in the financial statements for long outstanding arrears, which at December 31, 1987 amounted to US$ 158,340,300 (December 31, 1986: US$ 158,340,300), being the total of the amounts described in paragraphs 2(a) and 2(b) above. Since the Fund has not formally considered the creation of such provisions, which would reduce the Fund's capital and have no effect on revenue and expenses, none are reflected in the financial statements at December 31, 1987.

5. In our opinion, except for the effects of the matters described in paragraph 4 above, and subject to the collection of the amounts referred to in paragraph 3 above, these financial statements, which have been prepared using accounting standards recommended by the International Accounting Standards Committee, give a true and fair view of the state of affairs of the International Fund for Agricultural Development at December 31, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended. Accounting principles which are of particular significance to the preparation of these financial statements are described in Note 2.

Price Waterhouse

Rome, March 18, 1988

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification funded by Special Resources for Sub-Saharan Africa (Special Programme for Africa)

FINANCIAL STATEMENTS

Appendix A
Statement of Revenue and Expenses

Appendix B
Balance Sheet

Appendix C
Statement of Changes in Financial Position

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Statement of Resources Available for Commitment

Appendix E
Statement of Contributions

Appendix F
Summary Statement of Loans

Appendix G
Notes to the Financial Statements

Report of the External Auditor

Statement of Revenue and Expenses **Appendix A**
For the year to 31 December 1987 and
the period to 31 December 1986
(Expressed in thousands of United States Dollars)

	For the year ended 31 Dec. 1987	28 May 1986 to 31 Dec. 1986
Revenue (Note 1)		
Income from investments	4 922	688
Income from loans	4	-
	4 926	**688**
Expenses (Note 1)		
Staff salaries and benefits	547	170
Other operational and administrative	263	83
Cooperating institutions and consultants	2 113	1 476
Consultation meeting and Executive Board documentation	94	76
Exchange loss on operations (Note 2)	7	2
Total Expenses	3 024	**1 807**
Excess of revenue over expenses	1 902	**(1 119)**
Accumulated Surplus (Deficit) at 1 January	(1 119)	-
Accumulated Surplus (Deficit) at 31 December	783	**(1 119)**

Balance Sheet **Appendix B**
31 December 1987 and 31 December 1986
(Expressed in thousands of United States Dollars)

Assets	1987	1986	**Liabilities, contributions and accumulated surplus**	1987	1986
Cash in banks	10 078	**265**	**Liabilities**		
			Payable to cooperating institutions	743	695
Investments			Other payables and accrued liabilities	399	162
Government and government			Undisbursed grants	8 373	2 679
guaranteed obligations	13 554	-	Advances (Note 7)	834	-
Time deposits and other obligations of banks	76 363	15 960		**10 349**	**3 536**
	89 917	**15 960**			
Promissory notes of contributors	106 141	**32 875**	**Contributions and accumulated surplus**		
			Contributors (Note 3)	258 245	174 277
Amounts receivable from contributors (Note 4)	58 350	**117 098**	Accumulated Surplus (Deficit)	783	(1 119)
				259 028	173 158
			Less: Grants (Note 6)	8 792	2 679
				250 236	170 479
Other receivables					
Amounts receivable from IFAD (Note 5)	947	8 114	Exchange Adjustment (Note 2)	7 278	560
Accrued income on investments	1 802	16			
Miscellaneous	67	-			
	2 816	**8 130**		**257 514**	**171 039**
Loans (Note 6 - Appendix F)					
Approved loans and the adjustment for movement in value of total SDR loans in terms of US Dollars **1987 - US$ 112 642** **1986 - US$ 37 429**					
Effective Loans	42 134	4 893			
Less: Undisbursed balance of effective loans	41 573	4 646			
Loans outstanding	**561**	**247**			
	267 863	**174 575**		**267 863**	**174 575**

Statement of Changes in Financial Position

Appenaix C

For the Periods ended 31 December 1987 and 1986

(Expressed in thousands of United States Dollars)

	For the year ended 31 Dec. 1987	For the period ended 31 Dec. 1986
Cash Provided		
Excess of revenue over expenses	1 902	(1 119)
Payments from contributors		
- Contributions	66 723	24 304
- Promissory Notes drawn down	2 727	-
- For co-financing of project	834	-
	72 186	**23 165**
Cash Used		
Expenses charged or income credited on an accrual basis, including amount due to IFAD, not requiring or providing cash outlay in the current period	1 568	(841)
Loan disbursements	251	247
Grant disbursements	419	-
	2 238	**(594)**
Net Cash Provided	**69 948**	**23 779**
Exchange adjustment(1)	6 655	560
Increase in the value of cash, investments and amounts receivable from IFAD as shown in the Balance Sheet	**76 603**	**24 339**

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(1) The exchange adjustment of US$ 6 655 000 (31 December 1986 - US$ 560 000) relates to the currencies held in cash and investments revalued into US Dollars at 31 December 1987. This amount is offset by the exchange adjustment on loans outstanding US$ 63 000 (31 December 1986 - Nil) which results in a net amount of US$ 6 718 000 (31 December 1986 - US$ 560 000) as shown by the movement in the Exchange Adjustment account in the Balance Sheet from 31 December 1986 to 31 December 1987.

Statement of Resources Available for Commitment

Appendix D

31 December 1987 and 31 December 1986

(Expressed in thousands of United States Dollars)

	31 Dec. 1987	31 Dec. 1986
Assets in freely convertible currencies		
Cash	10 078	265
Investments	89 917	15 960
Promissory notes	106 141	32 875
Other receivables	1 982	8 114
	208 118	**57 214**
Less		
Payables and accrued liabilities	1 142	857
Undisbursed effective loans	41 573	4 646
Approved loans signed but not yet effective	33 126	9 846
Undisbursed grants	6 458	2 679
	82 299	**18 028**
Resources available for commitment(1)	**125 819**	**39 186**
As at 31 December 1987, agreements had not yet been signed for the following for which resources require to be set aside:		
Loans	37 382	22 690
Grants	1 915	1 040

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(1) Includes amounts received from countries which have indicated that a portion of their contribution is to be related to programmes in certain countries.

Statement of Contributions(1)

Appendix E

31 December 1987 and 31 December 1986

Contributors(2)		**Instruments Deposited**		**Payments** - US$ Equivalent		
		Currency & Amount	US$ Equivalent	Cash	Promissory Notes	Total
Belgium(3)	BF	1 260 000 000	**35 907 266**	17 506 060		**17 506 060**
Denmark	DKR	90 000 000	**14 687 173**	424 878	9 344 262	**9 769 140**
Djibouti	US$	1 000	**1 000**	1 000		**1 000**
European Communities Commission	ECU	10 000 000	**12 124 414**	12 124 414		**12 124 414**
Finland	FMK	41 740 000	**10 141 609**	1 346 672	8 794 937	**10 141 609**
France	FF	150 000 000	**27 943 447**	789 889	17 790 262	**18 580 151**
Germany, F. R.	DM	29 000 000	**18 354 430**		18 354 430	**18 354 430**
Greece	US$	37 030	**37 030**	37 030		**37 030**
Ireland	£IR	300 000	**418 410**	418 410		**418 410**
Italy(3)	Lit	30 000 000 000	**24 026 676**	15 472 356		**15 472 356**
Japan	JY	2 553 450 000	**20 519 544**	1 143 771	12 455 854	**13 599 625**
Luxembourg	LF	10 000 000	**266 099**	266 099		**266 099**
Netherlands	FL	35 000 000	**16 174 040**	16 174 040		**16 174 040**
New Zealand	US$ equiv. of NZ$	500 000	**251 500**	251 500		**251 500**
Norway(3)	NKR	138 000 000	**20 185 731**	14 648 010		**14 648 010**
Spain	US$	1 000 000	**1 000 000**	1 000 000		**1 000 000**
Sweden	SKR	131 700 000	**22 656 173**	397 553	17 603 448	**18 001 001**
Switzerland	SWF	15 000 000	**10 638 298**	10 638 298		**10 638 298**
United Kingdom	£	7 000 000	**12 912 403**	1 114 650	11 797 753	**12 912 403**
United States	US$	10 000 000	**10 000 000**		10 000 000	**10 000 000**
Total			**258 245 243**	93 754 630	**106 140 946**	**199 895 576**
31 December 1986			**174 276 799**	24 304 185	**32 874 583**	**57 178 768**

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(1) Contributions have been translated on the basis of the following:
(i) At year-end market rates of exchange for amounts receivable and for amounts paid in the form of promissory notes and not yet drawn down.
(ii) At market rates of exchange as at date of receipt in respect of cash.

(2) Pledges have been made by Niger and Mauritania. The related Instruments of Contribution and payments have not been received as at 31 December 1987.

(3) These contributors have indicated that a portion of their contributions is to be related to programmes in certain countries.

Statement of Loans(1)
31 December 1987 and 31 December 1986

Appendix F

Borrower or Guarantor		Approved Loans	Loans not yet Effective	Effective Loans		Outstanding Loans
				Undisbursed Portion	Disbursed Portion	
		SDR	SDR	SDR	SDR	SDR
Burkina Faso		**7 000 000**	7 000 000			
Ethiopia		**9 300 000**		9 300 000		
Ghana		**4 400 000**	4 400 000			
Guinea-Bissau		**3 500 000**		3 500 000		
Mali		**4 850 000**		4 850 000		
Mauritania		**4 000 000**		3 604 511	395 489	**395 489**
Mozambique		**11 850 000**	11 850 000			
Niger		**10 250 000**	10 250 000			
Sudan		**8 050 000**		8 050 000		
Uganda		**9 100 000**	9 100 000			
Zambia		**7 100 000**	7 100 000			
Total	**SDR**	**79 400 000**	49 700 000	29 304 511	395 489	**395 489**
Total Loans	**US$**	**112 641 604**	70 507 402	41 573 138	561 064	**561 064**
31 December 1986	**US$**	**37 429 614**	32 536 854	4 646 153	246 607	**246 607**

Summary

		Approved Loans		Value in US$		
		At 31.12.86	At 31.12.87	**At 31.12.86**	Movement in Exchange Rate SDR/US$	At 31.12.87
1986	SDR	30 600 000	30 600 000	**37 429 614**	5 981 382	43 410 996
1987	SDR		48 800 000			69 230 608
Total	**SDR**	**30 600 000**	79 400 000	**US$ 37 429 614**	**US$ 5 981 382**	US$ 112 641 604

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(1) Loans have been denominated in SDR and for purposes of presentation in the Balance Sheet the accumulated amount has been valued at US Dollar/SDR rate of 1.41866/1 at 31 December 1987. Since the loans were valued at 31 December 1986 at the then prevailing rate of 1.22319/1, there is an increase in value, in terms of US Dollars, attributable to the movement in exchange rates from 31 December 1986 to 31 December 1987 of US$ 5 981 000 (1986 - US$ Nil).

Appendix G

Notes to the Financial Statements

31 December 1987
and 31 December 1986

Note 1: Organization and Operations

On 23 January 1986, the Ninth Session of the Governing Council of IFAD approved the establishment by the International Fund for Agricultural Development (IFAD) of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (Special Programme for Africa) to be operated in accordance with the Basic Framework on Special Resources for Sub-Saharan Africa (Basic Framework). Under the terms of the Basic Framework the Special Programme for Africa was declared effective on 28 May 1986 and is administered by IFAD.

The resources of the Special Programme for Africa are separate from the resources for IFAD. Income and expenses incurred prior to date of effectiveness are included in Appendices A and C. IFAD may accept contributions to the Special Programme for Africa from all Member States of IFAD, as well as from non-Member Countries and other sources, with the approval of, and on such terms and conditions as may be specified by the Executive Board.

Development costs towards the preparation of the Special Programme for Africa were contributed from IFAD's Administrative Budget for 1985, and by Denmark, The Netherlands and Norway.

Note 2: Summary of Significant Accounting Policies

(a) Basis of Accounting

The accounting records of the Special Programme for Africa are maintained on the accrual basis for revenue and expenses.

Investments are carried at cost. Gains or losses on sales of investments are included as an element of income from investments.

A contribution from a Contributor is recorded in full as receivable when the Contributor deposits its Instrument of Contribution.

Amounts receivable as contributions, loans and other receivables are recorded at their full value.

Technical Assistance Grants are recorded as a deduction from Contributions at the time of their approval.

Cost of equipment is charged direct to expense when purchased.

(b) Translation and Conversion of Currencies

IFAD, as an international organization, conducts its operations in several currencies, and for the present time is maintaining its accounting records in United States Dollars.

The Financial Statements of the Special Programme for Africa are expressed in United States Dollars solely for the purpose of summarizing the financial position.

Translation of all Balance Sheet Items, except contributions, in currencies other than the United States Dollar have been made at market rates of exchange at year end.

The basis of translation for contributions is the following:

(1) at year-end market rates of exchange for amounts receivable and for amounts paid in the form of promissory notes.

(2) at market rates of exchange as at date of receipt in respect of cash.

Revenue and expense items in currencies other than the United States Dollar have been recorded at appropriate rates of exchange.

The exchange adjustments arising from the translation of assets and liabilities in currencies other than the United States Dollar are credited to or charged to an exchange adjustment account which is shown in the Balance Sheet.

In those instances where currencies are converted to settle day-to-day obligations, or when the rate of exchange of the United States Dollar changes between the date of original entry and the date of settlement, any resulting actual gain or loss is included in the determination of excess of revenue over expenses.

Note 3: Contributions

Contributions shall be paid in freely convertible currencies in cash or in non-negotiable, non-interest bearing, irrevocable promissory notes or other similar obligations of the Contributor, payable at par on demand by IFAD, except as the Executive Board may otherwise decide, on an exceptional basis.

Contributions may be either free of limitations on the use thereof, or limited for certain countries provided that either not less than US$ 10 000 000 or not less than 20% of the contribution shall be free of limitations on the use thereof. Contributions shall be paid in a single sum, or at the option of the Contributor, in three instalments (the first not less than 25% of the total contribution of the Contributor concerned) with the single sum or first instalment due within two months of the date of deposit of the Instrument of Contribution by the Contributor, and the final instalment no later than 30 June 1988.

In exceptional circumstances, the President of IFAD, with the consent of the Executive Board, may negotiate with a Contributor any acceptable schedule for the payment of its Contribution no later than 30 April 1989, provided that such schedule of payment shall not adversely affect the operational requirements of the Special Programme for Africa.

Note 4: Amounts Receivable from Contributors

There were no amounts overdue as at 31 December 1987 (1986 - US$ 2 165 000).

Note 5: Amounts Receivable from IFAD

These include contributions and advances which were paid directly to IFAD for the Special Programme for Africa and temporarily held for the Special Programme for Africa.

Note 6: Loans and Grants

Loans are denominated in Special Drawing Rights and are made to countries of the sub-Saharan region of Africa on terms and conditions prescribed by the Basic Framework. Details of loans approved, effective and disbursed are given in Appendix F. Principal repayments shall be credited to the Special Resources for Sub-Saharan Africa until such time as the Executive Board shall decide to terminate the Special Programme for Africa; thereupon any principal repayments and interest thereon shall be transferred to Resources of IFAD. Grants are provided in conformity with the said Basic Framework.

Note 7: Advances

This represents an amount paid by a contributor under an agreement to finance a named project.

Price Waterhouse S.a.s.
di Renzo Latini & Co.

Società di Revisione
e Certificazione

Price Waterhouse

The International Fund for
Agricultural Development
Rome

We have audited the financial statements (Appendices A through G) of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification at December 31, 1987 and 1986 and for the year ended December 31, 1987 and the period from May 28, 1986 to December 31, 1986. Our audits were carried out in accordance with generally accepted international auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these financial statements, which have been prepared using accounting standards recommended by the International Accounting Standards Committee, give a true and fair view of the state of affairs of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification at December 31, 1987 and 1986 and of the results of its operations and the changes in its financial position for the year ended December 31, 1987 and the period from May 28, 1986 to December 31, 1986. Accounting principles which are of particular significance to the preparation of these financial statements are described in Note 2.

Price Waterhouse

Rome, March 18, 1988

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Acronyms and Abbreviations

AfDB	African Development Bank
AsDB	Asian Development Bank
BOAD	West-African Development Bank
BRI	Bank Rakyat Indonesia
CAF	Andean Development Corporation
CDB	Caribbean Development Bank
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
KfW	Kreditanstalt für Wiederaufbau (German Credit Institute for Reconstruction)
mt	metric tonnes
NGOs	Non-governmental Organizations
NRDP	National Rural Development Programme
OPEC	Organization of the Petroleum Exporting Countries
PIPs	People's Irrigation Projects
SAP	Structural Adjustment Programme
SBL	State Bank of Laos
SDC	Swiss Development Corporation
SDR	Special Drawing Rights
SPA	Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification
SPM	Special Programming Mission
SRS	Special Resources for Sub-Saharan Africa
UNDP	United Nations Development Programme
UNDP/OPE	United Nations Development Programme/Office for Project Execution
UNICEF	United Nations Children's Fund
WFP	World Food Programme
WHO	World Health Organization

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the International Fund for Agricultural Development of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations "developed" and "developing" economies are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

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